

Rodriguez, Susan (CONTR)

From: Jereza, Catherine
Sent: Monday, January 08, 2018 9:27 AM
To: Smith, Wayne D
Subject: FW: 202(c) files
Attachments: FPC Orders.zip; mirant_082405 Petition.pdf; Applications Status.docx

Wayne - attached are the following:

1. a word file with the status and comments of the applications we've provided to so far according to the applicant (3 of 8 since 2000). The other 38 we're digging for.
2. the Mirant application
3. Orders from 1941 to 1972 that are not posted on our website.

We'll keep on looking

Katie

-----Original Message-----

From: Batra, Rakesh
Sent: Monday, January 08, 2018 11:54 AM
To: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Subject: FW: 202(c) files

Chris Drake sent the attached FPC Orders.zip file with all pre-2000 202(c) orders. I was able to track down the Mirant petition.

I will keep searching for the rest.

Rakesh

-----Original Message-----

From: Drake, Christopher
Sent: Monday, January 08, 2018 11:42 AM
To: Batra, Rakesh <Rakesh.Batra@Hq.Doe.Gov>; Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Cc: Konieczny, Katherine <Katherine.Konieczny@Hq.Doe.Gov>
Subject: RE: 202(c) files

Rakesh & Matt,

I have attached a .zip file with all pre-2000 202(c) orders. They are all FPC orders — DOE did not invoke its authority under 202(c), which it obtained via section 301(b) of the DOE Organization Act in 1977, until December 2000. Unfortunately, we do not have a chart of all these orders, but they are all in the attached .zip file, with citations to the FPC reporter.

Chris Drake
 Attorney-Adviser
 U.S. Department of Energy, Office of General Counsel
 Office of Electricity & Fossil Energy (GC-76)
 Forrestal North, Room 6B-256
 Tel. 202.586.2919

Christopher.Drake@hq.doe.gov

This communication may contain privileged or confidential material. Potential privileges include, but are not limited to, Attorney-Client, Attorney Work-Product, and Deliberative Process.

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY AND
FEDERAL ENERGY REGULATORY COMMISSION**

Emergency Petition and Complaint of)	Docket No. EL05-145-000
District of Columbia Public Service)	
Commission)	

**EMERGENCY PETITION AND COMPLAINT OF
THE DISTRICT OF COLUMBIA PUBLIC SERVICE COMMISSION**

Pursuant to Sections 202(c), 207 and 309 of the Federal Power Act (“FPA”), 16 U.S.C. §§ 824a(c), 824f and 825h, the District of Columbia Public Service Commission (“DCPSC”) hereby submits this Emergency Petition and Complaint to avert the impending shutdown of the Potomac River Generating Station power plant (“Potomac River Plant” or “Plant”) owned and operated by Mirant Corporation and its public utility subsidiaries (collectively, “Mirant”) in Alexandria, Virginia.

Due to certain air quality concerns recently reported in an environmental study performed by the Virginia Department of Environmental Quality (“VDEQ”), Mirant has publicly announced that its Potomac River Plant will be shut down at midnight on August 24, 2005.¹ The DCPSC believes that, the proposed shutdown will have a drastic and potentially immediate effect on the electric reliability in the greater Washington, D.C., area and could expose hundreds of thousands of consumers, agencies of the Federal Government and critical federal infrastructure

¹ The DCPSC has not performed any independent study of the VDEQ findings and takes no position on the correctness of the VDEQ’s findings.

to curtailments of electric service, load shedding and, potentially, blackouts. As a result, immediate action by the Secretary of Energy (“Secretary”) and the Federal Energy Regulatory Commission (“FERC” or “Commission”) is needed to avoid the potentially dangerous and security-threatening interruption of electric service to the District of Columbia that may occur as a result of the Potomac River Plant’s proposed shutdown.

Accordingly, the DCPSC requests that the Secretary issue orders pursuant to Section 202(c) of the FPA, finding that an emergency exists within the meaning of this statutory provision as a result of the proposed shutdown of the Potomac River Plant and direct Mirant to continue the operation of the Potomac River Plant until further orders are issued. The DCPSC further requests that the Commission, pursuant to its authority under Sections 207 and 309 of the FPA, institute a hearing and take immediate action preventing Mirant from ceasing operations at the Potomac River Plant to ensure that electric reliability in the area is not adversely affected.

I. NOTICE

All correspondence related to this proceeding should be addressed to:

Richard Beverly
General Counsel
Public Service Commission of the
District of Columbia
1333 H Street, N.W.
Washington, DC 20005
(202) 626-9200
(202) 626-9212

Sheila S. Hollis
Duane Morris LLP
1667 K Street N.W., Suite 700
Washington, DC 20006
(202) 776-7810
(202) 776-7801 (fax)

II. STATEMENT OF CONCERNS

The DCPSC is the agency charged with the protection of all retail electric system consumers within the District of Columbia, including matters involving the construction and operation of electric power facilities and the rates charged for electric power.²

The District of Columbia encompasses many critical aspects of the United States government. The White House, Congress, Supreme Court, and other essential Federal Courts, most cabinet level agencies including the Departments of State, Justice, Energy, Interior, Health and Human Services, Labor, and regulatory agencies, and a host of other essential entities are located in the District. In addition, large numbers of commercial and residential consumers are located in the District. A major load shedding event triggered by the shutdown of a major generating facility combined with extreme weather or other events on the grid could be catastrophic for the District and the Nation, could endanger homeland security and threaten the ability of the Nation to function worldwide and domestically. While the shutdown of the Potomac River Plant would not in and of itself immediately have these effects, the combination of other events, such as a severe weather situation, the loss of key transmission capability or other major outages, could endanger electric service to the District. The DCPSC, with the statutory responsibility to protect the consumers of electric energy in the District, including key Federal installations, is extremely concerned about the safety, reliability and availability of electric energy in the District. The shutdown of the Potomac River Plant scheduled by Mirant in response to VDEQ's studies threatens essential electric service to the District and thus to the Nation. It is in this light that the DCPSC hereby requests that the Department of Energy

² See 11 D.C. Code Ann. §§ 34-101, et seq.

(“DOE”), the FERC, and the Department of Homeland Security take all appropriate and immediate steps to prevent the shutdown of the Potomac River Plant and to protect the Nation and the District of Columbia.

The DCPSC recognizes the complexity of the situation. The Potomac River Plant is owned by Mirant Corporation, a bankrupt enterprise with concerns regarding its potential liabilities under all scenarios with the Potomac River Plant operation or non-operation. (Mirant's proposed reorganization is pending before the FERC, and the DCPSC is an intervenor in that case and the DCPSC's Petition and Complaint are not intended to impact that proceeding.)

The Potomac River Plant is located in Virginia, which receives no power from it. Virginia has legitimate interest in the environmental impacts of the Potomac River Plant. And, distribution service in the District is provided by PEPCO, regulated by the DCPSC. Yet, there is no escaping the fact that the Potomac River Plant is for now and the foreseeable future, an essential element in the provision of electric service to the District of Columbia.³ Without the power generated by it, catastrophe could be very near. The DCPSC asks that the DOE and FERC immediately step in, pursuant to their jurisdiction under the Federal Power Act to protect the public and national interest and such other authority that exists, to prevent this extraordinary step from being taken by Mirant. The DCPSC also requests that its Petition and Complaint be referred to the Department of Homeland Security if the FERC and the DOE believe it is necessary.

³ See Washington Post Article of August 23, 2005 attached.

III. FACTUAL BACKGROUND

1. On August 22, 2005, Mirant Corporation announced that it had taken action to address concerns raised by a just-completed VDEQ environmental study of air quality in the vicinity of the Potomac River Plant.⁴

2. Mirant said that, as its initial response to the study, it had already reduced output of all five units at the Plant to their lowest feasible levels.

3. Mirant said it expects to meet soon with the VDEQ to discuss both short and long-term plans to address air quality issues. If no acceptable short-term solutions can be found, Mirant will shut down all five units at the power Plant no later than midnight **Wednesday, August 24, 2005** until a solution can be identified and implemented. It is DCPSC's understanding that no solution has been found as of the time of this filing.

4. On August 23, 2005, the DCPSC issued an order in Case No. 1023, directing PEPCO to review Mirant's August 22, 2005 press release and advise the DCPSC, in writing, of the extent to which Mirant's actions may negatively impact the local system and District of Columbia consumers. A copy of this Order is attached hereto.⁵

5. The coal-fired power Plant, which began operation in 1949, produces 482 megawatts of electricity for Washington, D.C. and surrounding communities. It is located in Alexandria, Va. The Plant has been identified as a critical component for the reliability of the electric grid in the Washington, D.C. area.

⁴ Mirant Press Release of August 22, 2005 attached.

⁵ See DCPSC's Order No. 13748 issued August 23, 2005.

6. The Plant has been designated by PJM Interconnection, the entity responsible for the reliability of the transmission system from the Mid-Atlantic States and some portions of some Midwestern states, as a facility critical to electric system reliability in the Washington, D.C. area. PJM's designation means that removing the Potomac River Plant could result in a severe strain on the transmission system and potential electrical outages if other key generation and transmission facilities become unavailable during high demand periods.

7. Because of the advance notice required to be given to PJM and the complex and lengthy physical process to shut down large coal-fired steam boilers, Mirant has continued to operate the Plant at a reduced level until midnight tonight.

8. If all of the units are shut down at Potomac River Plant, PEPCO has two 230 KV underground cables and two 69 KV lines through Blue Plains that may be available to supply the load that Potomac River Plant supplies. In addition, it is the DCPSC's understanding that PEPCO has developed as a second scenario, which assumes that if the Potomac River Plant is shut down and one of the two 230 KV lines were to go down, that there may nonetheless be sufficient transmission capability to supply the load provided by the Potomac River Plant. DCPSC considers such a scenario to be highly precarious, given the variables and the nature of the load in the District.

9. The VDEQ has been advised previously by the PJM of the impact of the shutdown of the Potomac River Plant. (See Attached letter from Craig Glazer, PJM Vice President, Government Policy, to VDEQ, dated April 14, 2004). In the PJM letter, a description of the technical aspects of the impact of the shutdown is set forth. We believe that the letter establishes the extremely serious nature of the immediate and long term impact of the Potomac River Plant shutdown.

IV. LEGAL BASIS FOR PETITION AND COMPLAINT

A. Secretary's Authority Under Section 202(c) of the FPA

Section 202(c) of the FPA states as follows:

Temporary connection and exchange of facilities during emergency. During the continuance of any war in which the United States is engaged, or whenever the Commission determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy or of fuel or water for generating facilities, or other causes, the Commission shall have authority, either upon its own motion or upon complaint, with or without notice, hearing, or report, to require by order such temporary connections of facilities and such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest. If the parties affected by such order fail to agree upon the terms of any arrangement between them in carrying out such order, the Commission, after hearing held either before or after such order takes effect, may prescribe by supplemental order such terms as it finds to be just and reasonable, including the compensation or reimbursement which should be paid to or by any such party.⁶

Under this provision, the Secretary is empowered “whenever [he] determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy or of fuel or water for generating facilities, or other causes . . . to require by order such temporary connections of facilities and such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest.” The Secretary recently used this authority both during the 2000-2001 California crisis and the August 2003 Northeast blackout.⁷ As explained above and in the attached evidence, the proposed shutdown of the Potomac River Plant at midnight on August 24, 2005, creates a potential for similar

⁶ 16 U.S.C. § 824a(c).

⁷ *See, e.g.*, Order pursuant to Section 202(c) of the Federal Power Act” (December 14, 2000); “Order pursuant to Section 202(c) of the Federal Power Act” (January 11, 2001); Order No. 202-03-1 (August 14, 2003).

blackouts to occur in the greater Washington, DC, area and may have a serious adverse effect on hundreds of thousands of consumers and the Federal Government and its agencies. The DCPSC, therefore, requests that the Secretary use its emergency authority under Section 202(c) of the FPA to order Mirant to continue operating is Potomac River Plant until further orders are issued by the Secretary or the Commission in the instant proceeding.

B. FERC's Authority Under Sections 207 and 309 of the FPA

Section 207 of the FPA provides as follows:

Whenever the Commission, upon complaint of a State commission, after notice to each State commission and public utility affected and after opportunity for hearing, shall find that any interstate service of any public utility is inadequate or insufficient, the Commission shall determine the proper, adequate, or sufficient service to be furnished, and shall fix the same by its order, rule, or regulation: Provided, That the Commission shall have no authority to compel the enlargement of generating facilities for such purposes, nor to compel the public utility to sell or exchange energy when to do so would impair its ability to render adequate service to its customers.⁸

This Emergency Petition and Complaint satisfies the requirements of this provision.

The DCPSC is a "State commission" within the meaning of Section 207 of the FPA. The Potomac River Plant provides "interstate service" by supplying electricity into Washington, DC, Maryland and across the entire PJM region. Mirant is a jurisdictional public utility under the FPA. The evidence attached hereto indicates that failure to avert the proposed shutdown of the Potomac River Plant will render this interstate service inadequate or insufficient. Further, no enlargement of the existing facilities is required and continuation of the Plant's operation will ensure that adequate service is rendered to Mirant's customers.

While Section 207 appears to require a hearing, the Commission is empowered, under Section 309 of the FPA, "to perform any and all acts, and to prescribe, issue, make, amend,

⁸ 16 U.S.C. 824f

and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of [the FPA].” The immediate relief requested in this Emergency Petition and Complaint comes squarely within this enforcement authority and is clearly in the national and public interest.

V. WAIVERS OF REGULATIONS AND SERVICE

Due to the emergency nature of the instant submission and the speed with which events have developed over the past 48 hours, the DCPSC requests a waiver of all DOE and FERC filing and other regulations that may be otherwise applicable to this submission including the regulations set forth at 10 C.F.R. § 205.370, et seq. The DCPSC is serving this Emergency Petition and complaint on all entities designated to receive service under 10 C.F.R. § 205.372. Granting this waiver is in the public interest.

VI. CONCLUSION

WHEREFORE, for the above stated reasons, the DCPSC requests that the Secretary and the FERC grant immediate relief as described herein.

Respectfully Submitted,

Richard A. Beverly
General Counsel
Public Service Commission of the
District of Columbia
1333 H Street, N.W.
Washington, DC 20005
Phone: (202) 626-9200
Fax: (202) 626-9212

/s/ Sheila S. Hollis
Sheila S. Hollis
Ilia Levitine
Duane Morris LLP
1667 K Street, NW, Suite 700
Washington, D.C. 20006
Phone: (202) 776-7810
Fax: (202) 776-7801

ATTORNEYS FOR THE PUBLIC
SERVICE COMMISSION OF THE
DISTRICT OF COLUMBIA

DATED: August 24, 2005

washingtonpost.com

Hello saholis
Edit Profile | Sign Out

PRINT EDITION | Subscribe to

The Washington Post

NEWS OPINION SPORTS ARTS & LIVING

Discussions | Photos & Video | Entertainment Guide

CLASSIFIEDS

JOBS

CAR

SEARCH: News Web



powered by YAHOO! SEARCH

Top 20 E-mail

A. J. Jacobs

Dreaming of a weekend getaway or a mountain retreat?

washingtonpost.com > Metro > Virginia > Alexandria

Print This Article
E-Mail This Article
Subscribe to The Post

MOST VIEWED ARTICLES

Metro On the Site

Updated 11:45 a.m. ET

- Warner: Defense Closures 'Rigged'
- Mayor Punctuates His New Blog With Silence
- Possible Violations Probed in Bethesda Townhouses
- Va. Hospital Urges Endoscopy Patients to Get Tested
- TV Ad Using Steele Irritates Democrats

Advertisement

Power Plant Faces Shutdown Over Pollutants

Mirant Facility That Serves D.C., Md. Violates National Air Quality Standards, Analysis Shows

By Leef Smith

Washington Post Staff Writer

Tuesday, August 23, 2005; Page B01

The Mirant Corp. power plant in Alexandria, which provides electricity to homes in the District and Maryland, is in violation of national air quality standards and has been ordered by Virginia officials to take immediate steps to reduce pollution. Mirant officials said they will shut down the plant by tomorrow night if they can't satisfy the state's demand.

The directive was issued Friday night by the Department of Environmental Quality after reviewing the results of an analysis that showed that some pollutants found in the vicinity of the coal-fired power plant are at times considerably higher than what national standards allow.

"People should be concerned about this information," said Bill Hayden, spokesman for the Department of Environmental Quality. "That's why we want to have steps taken immediately to fix it."

Mirant officials responded Sunday night by reducing the output of all five of its boilers from a maximum output of 482 megawatts of electricity to 175 megawatts and said they plan to meet with state officials tomorrow afternoon to discuss plans to resolve air-quality issues. Still, Mirant officials said they will temporarily shut the plant no later than midnight tomorrow if no acceptable short-term solution is agreed on.

"We acted very quickly in this matter" to address the public health concern, said Lisa D. Johnson, Mirant's regional president.

ADVERT



TOP

- Tea
- SAF
- Comp
- Fiel
- Soft
- Proj

FEAT

- Sign
- "Co
- Nat
- Law
- \$15
- For
- Refi
- Ent
- Coc



Network
Expertise
Applications
Service

cingular
Power to the People

RSS NEWS FEEDS

[Top News](#)
[Metro](#)

[What is RSS? | All RSS Feeds](#)

E-MAIL NEWSLETTERS

[View a Sample and Sign Up](#)
[Today's Headlines &](#)
[Columnists](#)

[Breaking News Alerts](#)

[Manage Your Newsletters](#)

The plant, which began operation in 1949, supplies enough electricity to the region's power grid to serve about 400,000 homes in the District and Maryland. It does not serve Virginia. Officials with PJM Interconnected, which manages the flow of electricity over transmission lines in 13 states and the District, said yesterday that a shutdown would not affect the area's power supply because it has alternative electricity sources.

"Barring some unforeseen circumstance, we'll be able to manage," said Terry Williamson, spokesman for PJM.

Atlanta-based Mirant Corp., which filed for bankruptcy in 2003, operates four plants in the area, including three in Maryland -- in Montgomery, Prince George's and Charles counties.

Neighbors of the Alexandria plant, on the banks of the Potomac in the northern end of the city, have complained for years about what they believed to be high levels of mercury, contaminants in the air and water, and of a sooty substance that they say covers surfaces around their homes and gardens.

In 2001, longtime residents decided to investigate, eventually submitting a thick report to the city that concluded that the plant was a potential danger. It cited several studies showing that a significant portion of the soot collected in the neighborhood was directly associated with Mirant. Last year, the City Council revoked a 12-year-old ordinance that allowed the plant to operate indefinitely, as well as two special-use permits, making the plant in violation of zoning and giving Mirant seven years to close shop.

In February, Mirant sued the city to stop the zoning changes. Mirant participated in the pollution study as part of a 2004 settlement agreement relating to alleged ozone violations at the Alexandria plant.

The report, based on data collected from 2000 to 2004, looks at worst-case scenarios involving pollution, weather and operational capacity. Researchers found that under certain conditions, levels of sulfur dioxide, nitrogen dioxide and particles in the vicinity of the plant are higher than the national ambient air quality standards allow.

For example, over a 24-hour period, the health-based limit for sulfur dioxide exposure is 365 micrograms per cubic meter. The study says the plant could release more than 5,000 micrograms per cubic meter within a heavily populated half-mile radius.

Johnson said Mirant will consider switching to a different type of coal that potentially has a lower sulfur content or to an injection technology that uses minerals to reduce sulfur output. Officials said

they might also consider increasing the height of their smokestacks to better allow pollutants to dissipate.

"We don't have to shut down if the solution we propose is satisfactory to all the parties involved," Johnson said. "That remains to be seen."

[Print This Article](#)[E-Mail This Article](#)[Permission to Republish](#)

© 2005 The Washington Post Company

[Advertising Links](#)[What's this?](#)**Save on All Your Calls with Vonage**

When looking for local regional and long distance calling, use Vonage to make calls to all 50 states and Canada. Get voicemail, great international rates and more. **Sign up today.**
www.vonage.com

MyCashNow - \$100 - \$1,500 Overnight

Payday Loan Cash goes in your account overnight. Very low fees. Fast decisions. Direct deposit is not required. No credit check. Confidential - secure.
www.mycashnow.com

Refinance Rates Hit Record Lows

Get \$150,000 loan for \$720 per month. Refinance while rates are low.
www.lowermybills.com

SEARCH:  News  Webpowered by **YAHOO!** SEARCH[NEWS](#) | [OPINION](#) | [SPORTS](#) | [ARTS & LIVING](#) | [Discussions](#) | [Photos & Video](#) | [Entertainment Guide](#) | [CLASSIFIEDS](#) |

[washingtonpost.com](#): [Contact Us](#) | [About Us](#) | [Work at washingtonpost.com](#) | [Advertise](#) | [Media Center](#) | [Site Index](#) | [Site Map](#)
[Archives](#) | [E-mail Newsletters](#) | [RSS Feeds](#) | [Wireless Access](#) | [Make Us Your Homepage](#) | [mywashingtonpost.com](#)
The Washington Post: [Subscribe](#) | [Subscriber Services](#) | [Advertise](#) | [Electronic Edition](#) | [Online Photo Store](#) | [The Washington P](#)
The Washington Post Company: [Information and Other Post Co. Websites](#)

© Copyright 1996- 2005 The Washington Post Company | [User Agreement and Privacy Policy](#) | [Rights and Permissions](#)

News Release

Media contact:

Steve Arabia, (b) (6)

steven.arabia@mirant.com

David Thompson, (b) (6)

dave.thompson@mirant.com

Investor relations contact:

Cameron Bready, (b) (6)

cameron.bready@mirant.com

Stockholder inquiries:

(b) (6)



August 22, 2005

Mirant Takes Immediate Action to Address Air Quality Concerns Raised in New Study Of Area Near Potomac River Generating Station

Plant Operations Have Been Significantly Reduced; Full Shut Down to Occur Unless Acceptable Interim Operating Plan Can Be Identified by Wednesday

ALEXANDRIA, VA - Mirant Corp. (Pink Sheets:MIRKQ) announced today that it has taken rapid action to address concerns raised by a just-completed environmental computer modeling study of air quality in the vicinity of Mirant's Potomac River generating station.

Mirant said that, as its initial response to the study findings, it has already reduced output of all five units at the plant to their lowest feasible levels.

Mirant said it expects to meet soon with the Virginia Department of Environmental Quality (DEQ) to discuss both short and long-term plans to resolve the newly identified local air quality issues. If no acceptable short-term solutions can be found, Mirant will shut down all five units at the power plant no later than midnight Wednesday, August 24, until a solution can be identified and implemented.

Even taking the new study findings into consideration, the Potomac River generating station remains in compliance with all its operating permits, which set overall limits on the quantity of emissions from the plant, the company said.

The coal-fired power plant, which began operation in 1949, produces 482 megawatts of electricity for Washington D.C. and surrounding communities. It is located in Alexandria, VA. The plant has been identified as a critical component for the reliability of the electric grid in the Washington, D.C. area.

"As soon as we received results of an environmental computer modeling analysis that showed emissions from the Potomac River generating station could be significantly contributing to localized, modeled exceedances of National Ambient Air Quality Standards (NAAQS), we acted quickly," said Curt Morgan, executive vice president and chief operating officer, Mirant.

"However, it's important to understand the nature of the study that has just been completed. The computer model was designed to analyze local air quality levels using a 'worst case' set of assumptions, including the operation of all five units at maximum permitted output with maximum emissions, combined with unfavorable wind conditions. These combined circumstances do not typically occur all at once, so the model works with hypothetical conditions that are not usually seen during normal plant operation," Mr. Morgan said. "Nevertheless, we take these findings extremely seriously, as demonstrated by our actions."

"The decision to curtail and possibly halt power production at the plant involves many complex issues, including important electric system reliability considerations in the Nation's Capital and throughout the Mid-Atlantic region. We are working closely with all affected parties. However, the overriding factor in our decision has been, and will continue to be, protection of public health," said Lisa D. Johnson, president, Mirant's Northeast and Mid-Atlantic business unit.

The plant has been designated by PJM Interconnection, the entity responsible for the reliability of the transmission system from the Mid-Atlantic states as far west as Chicago, as a facility critical to electric system reliability in the Washington, D.C. area. PJM's designation means that removing the Potomac River generating station could result in a strain on the transmission system and potential electrical outages if other key generation and transmission facilities become unavailable during high demand periods.

Because of the advance notice required to be given to the regional electric grid operator and the complex and lengthy physical process to shut down large coal-fired steam boilers, Mirant will continue to operate the plant at a reduced level for a few days.

The company also noted that it will maintain the plant in a state of operational readiness during the period of reduced operations or temporary shutdown of all units.

The new findings arose in a study completed August 19, 2005. It was commissioned under an agreement between Mirant and the Virginia Department of Environmental Quality (DEQ). The computer modeling of five air pollutants from the plant showed that for three types of emissions — PM₁₀ (particulate matter with an aerodynamic diameter of 10 micrometers or smaller), NO₂ (nitrogen dioxide), and SO₂ (sulfur dioxide) — the plant's emissions have the potential to contribute to localized, modeled exceedances of NAAQS under some conditions.

The potential localized air quality concerns impact an area within a half-mile radius of the plant. The newly identified air quality impacts are the result of a phenomenon known as "downwash." According to the U.S. Environmental Protection Agency, downwash is defined as "impacts associated with building wake effects. These effects cause the pollutant plume to fall to ground-level quicker." At the Potomac River plant, the unique combination of relatively short emissions stacks at the power plant (165 feet) and the presence of nearby tall buildings — built well after

the power plant was completed — produce conditions that the newly completed computer model identified as being capable of causing downwash under some wind conditions. Computer modeling of possible downwash effects had never previously been required or conducted at the Potomac River plant.

“Although the exact time frame for the return to full service of the Potomac River power plant cannot currently be determined, we are confident that we can identify solutions, and hopeful we can gain the cooperation of all parties to implement them,” Ms. Johnson said.

Mirant said it does not expect to return the plant to full service until appropriate solutions are implemented. However, Mirant may be required to operate the plant to meet mandatory system stability obligations, or if there is a legal obligation to operate the plant at higher output levels than would otherwise be in effect. Mirant also said it will need to operate plant units occasionally to test technological modifications to the plant.

Mirant is a competitive energy company that produces and sells electricity in the United States, the Caribbean, and the Philippines. Mirant owns or leases more than 18,000 megawatts of electric generating capacity globally. The company operates an asset management and energy marketing organization from its headquarters in Atlanta. For more information, please visit www.mirant.com.

#

Caution regarding forward-looking statements:

Some of the statements included herein involve forward-looking information. Mirant cautions that these statements involve known and unknown risks and that there can be no assurance that such results will occur. There are various important factors that could cause actual results to differ materially from those indicated in the forward-looking statements, such as, but not limited to, (i) the instructions, actions, decisions and orders of the U.S. Bankruptcy Court for the Northern District of Texas, Fort Worth Division in connection with the voluntary petitions for reorganization filed on July 14, 2003, July 15, 2003, August 18, 2003, October 3, 2003 and November 18, 2003, by Mirant Corporation and substantially all of its wholly-owned and certain non-wholly-owned U.S. subsidiaries under Chapter 11 (Chapter 11”) of the United States Bankruptcy Code; (ii) the duration of Mirant’s Chapter 11 proceedings and the effects of the Chapter 11 proceedings on Mirant’s liquidity; (iii) changes in, or changes in the application of, environmental and other laws and regulations to which Mirant and its subsidiaries and affiliates are subject; (iv) the performance of Mirant’s assets and projects; (v) potential business strategies, including acquisitions or dispositions of assets that Mirant may pursue, (vi) weather and other natural phenomenon; (vii) timely completion of permitting requirements and regulatory approvals; (viii) Mirant’s inability to complete required modifications to the Potomac River facility or its operations to address the downwash issue, (ix) actions and claims of third parties (including regulators) in response to Mirant’s plans to address the downwash issue and (x) other factors discussed in Mirant’s Annual Report on Form 10-K for the year ended December 31, 2004 or Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 filed with the Securities and Exchange Commission (“SEC”), in Mirant Americas Generation, LLC’s Annual Report on Form 10-K for the year ended December 31, 2004 or Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 filed with the SEC, or in Mirant Mid-Atlantic,

LLC's Annual Report on Form 10-K for the year ended December 31, 2004 or Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 filed with the SEC..



Craig A. Glazer

Vice President - Governmental Policy

PJM Washington Office

(202) 393-7756 .FAX (202) 393-7741

e-mail: glazec@pjm.com

Via Electronic Mail

April 12, 2004

Director
Office of Air Regulatory Development
Department of Environmental Quality
629 East Main Street
P.O. Box 10009
Richmond, Virginia 23240

Re: Potomac River Generating Plant

Dear Director:

PJM Interconnection L.L.C. ("PJM") is the Regional Transmission Organization responsible for the maintenance of electric reliability in the service territory of Potomac Electric Power Company (PEPCO). The Potomac River Generating Plant which serves greater Washington, D.C. is within the PJM Control Area. We are writing in response to your request for formal written comments concerning a proposed amendment to the state operating permit for the Mirant Mid-Atlantic Potomac River Station located in the City of Alexandria, Virginia. This letter is similar to one we previously submitted to Mirant on April 7 in response to their request and is a supplement to our letter of March 2, 2004 to Jack Welsch, a copy of which is attached for submission in the record.

This letter does not address the impact that any set of emissions standards might have on the availability or operations of the Potomac River power plant. Rather, PJM has taken as its assumption the representation made by Mirant of a limit in production by as much as 50-60% from historical levels. PJM Interconnection LLC ("PJM") has reviewed the requirement for this plant strictly from a reliability perspective in order to determine what is required to maintain suitable reliability in the region. PJM's reliability standards are governed by Mid-Atlantic Area Council ("MAAC") criteria. MAAC criteria states that the system must be planned to sustain the loss of one transmission element with any other transmission system element out of service (an N-2 contingency) under peak load conditions. As explained below, PJM expects that a minimum of three Potomac River units must be running at all times during moderate load periods (moderate load period is approximately between October and June) and all five units must be running during the summer peak load time period (approximately June through September) in order to ensure reliability.

As discussed in Denise Foster's letter to the Virginia DEQ dated March 2, 2004, recent analysis has confirmed that a minimum of one Potomac River unit must be available at peak load conditions to eliminate any reliability concerns. One unit is sufficient if both of the two Palmers Corner 230 kV circuits are in service. In the event

of an outage of either Palmers Corner-Blue Plains 230 kV circuit sufficient generation must be available to balance the load in the area for the loss of the other 230 kV circuit. While the exact MWs of generation required depend on the load existing at the time of the outage, review of the historical area data indicates that under all circumstances between three and five Potomac River generators would be required to maintain reliability when either of the Palmers Corner 230 kV circuit are out of service. For example, in the event one of the lines to the Potomac River plant is out of service due to maintenance, the system must be adjusted in order to be prepared to lose the next line as well.

Peak load for the summer in this region occurs between June 15 and September 15. During this period, PJM anticipates that all units would be required to be available to run in order to ensure reliability, as described above. The requirement "available to run" means the units must be made available within four hours of an unplanned trip of one of the 230 kV transmission lines serving the Potomac River plant. The start up data that has been provided to PJM by Mirant shows that the Potomac River plants require a minimum of 43 to 83 hours notice to start from the cold state.

During summer peak conditions, all five of the Potomac River units should be required to remain available within a four hour period, or remain "hot." PJM further anticipates that under typical non-peak conditions, two or three of the units would be required to remain hot for seven days a week. All five units would be required to remain hot and available to run from Tuesday through Friday each week, in order to accommodate days of the week when the load has historically reached its highest level. Theoretically, and depending on load, certain units could be shut down for the weekend with prior approval from PJM.

In summary, if Mirant intends to run the units with production decreased by 50-60%, this situation may cause the transmission system to be non-compliant with PJM's reliability standards, and PJM would request permission to have these plants available for reliability purposes.

PJM has had limited time to analyze all of the facts and consider alternatives that would address the DEQ's environmental concerns while also ensuring the continued reliability of electric power supply in greater Washington. We would welcome the opportunity to work with you and the Department in order to explore the facts further and determine a resolution that meets our respective public policy goals. Please contact the undersigned or Ms. Denise Foster of PJM should you wish to discuss this issue further.

Sincerely,

Craig Glazer
Vice President—Government Policy
PJM Interconnection, L.L.C.
202-393-7756
GLAZEC@PJM.COM

1023-E-160

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, N.W., SUITE 200, WEST TOWER
WASHINGTON, DC 20005

ORDER

August 23, 2005

FORMAL CASE NO. 1023 IN THE MATTER OF THE INVESTIGATION
INTO THE EFFECT OF THE BANKRUPTCY OF MIRANT CORPORATION
ON THE RETAIL ELECTRIC SERVICE IN THE DISTRICT OF COLUMBIA,
Order No. 13748

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") directs the Potomac Electric Power Company ("Pepco") to review the attached Mirant Corporation ("Mirant") August 22, 2005 Press Release and advise the Commission, in writing, of the extent to which Mirant's actions may negatively impact the local system and District of Columbia consumers.

II. BACKGROUND

2. On August 22, 2005, Mirant issued a Press Release announcing that it had taken immediate action to reduce to the lowest feasible levels the output of all five of the units at the generation station and that it would potentially close down the station until an acceptable solution to the local air quality issues are identified and implemented. Mirant maintains that it remains in compliance with the overall limits set on the quantity of emissions from the plant.

3. The press release noted that PJM interconnection has designated the generation station as the entity responsible for the reliability of the transmission system for the Mid-Atlantic States and as critical to electric system reliability in the District of Columbia. The press release goes on to state that removal of the generation station could cause a strain on the transmission system and also electrical outages if other key generation and transmission facilities become unavailable during high demand periods.

III. DISCUSSION

4. The Commission is aware that Mirant is faced with a number of issues concerning the continued operation of the Potomac River Generating Station. However, the Commission's primary concern is system reliability in the District of Columbia. To that end, Pepco must provide an immediate assessment to the Commission regarding the impact Mirant's actions might have on the District of Columbia electrical system and

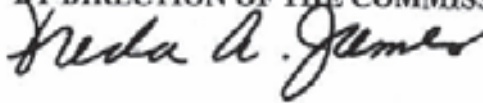
District of Columbia consumers. In its submission, Pepco must include its plan for dealing with the potential impact(s) of the shutdown of the Potomac River Generation Station, if it occurs. Additionally, Pepco is to provide to the Commission any other information pertaining to this matter received from PJM, Mirant, or any other source.

THEREFORE, IT IS ORDERED THAT:

5. Pepco is to file a response in accordance with paragraph four (4) of this Order in no later than five (5) days.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:



CHIEF CLERK

**FREDA A. JAMES
ACTING COMMISSION SECRETARY**

(b) (5)

[illegible]

5)			

Rodriguez, Susan (CONTR)

From: Rosenbaum, Matthew
Sent: Tuesday, January 09, 2018 11:29 AM
To: Jereza, Catherine
Cc: Batra, Rakesh
Subject: FW: 202c
Attachments: Older Incoming Letters -FPA 202c.zip

Katie,

Here is some additional correspondence that Kathy B was able to dig up regarding the LIPA 202c orders and Centerpoint 202c for Hurricane Ike.

Hope they help -- Matt

From: Bittner, Kathy (CONTR)
Sent: Tuesday, January 09, 2018 2:23 PM
To: Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Cc: Minnick, Debra B. (CONTR) <Debra.Minnick@hq.doe.gov>
Subject: RE: 202c

Hi Matt,

Attached please find a zip file with documents from the older 202c requests.

In some cases, we could not find the Incoming letters but included other documents that referenced the incoming requests.

Please let us know if you need additional information.

Thanks,

Kathy Bittner
Correspondence Specialist
ICF, Contractor for U.S. Department of Energy
Office of Electricity Delivery and Energy Reliability
Phone: (202) 287-5613
Email: kathy.bittner@hq.doe.gov

From: Rosenbaum, Matthew
Sent: Monday, January 08, 2018 12:04 PM
To: Bittner, Kathy (CONTR) <Kathy.Bittner@hq.doe.gov>
Subject: FW: 202c

From: Batra, Rakesh
Sent: Monday, January 08, 2018 9:13 AM
To: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Mills, Brian <Brian.Mills@hq.doe.gov>; Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>; Lawrence, Christopher <Christopher.Lawrence@hq.doe.gov>
Subject: RE: 202c

Katie:

Below is the link to all the 202(c) Orders and applications. The bottom two are for the year 2017.

<https://energy.gov/oe/services/electricity-policy-coordination-and-implementation/other-regulatory-efforts/does-use>

Also, I have placed the PJM Dominion and GRDA applications for the year 2017 on "O" drive. Below are the links:

[O:\FPA 202\(c\)\Historical Orders\PJM Dominion Applications](#)

[O:\FPA 202\(c\)\Historical Orders\GRDA Applications](#)

Please let me know if I could be of further assistance.

Thanks,
Rakesh

-----Original Message-----

From: Jereza, Catherine
Sent: Friday, January 05, 2018 5:52 PM
To: Batra, Rakesh <Rakesh.Batra@Hq.Doe.Gov>; Mills, Brian <Brian.Mills@hq.doe.gov>; Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>; Lawrence, Christopher <Christopher.Lawrence@hq.doe.gov>
Subject: FW: 202c

Brian McCormack requested the applications for all 202c orders in the past year. I had trouble finding them on the O Drive, but I at least had the first one from PJM.

Is the regulations I found on the O drive the correct version?

Can we have all the applications ready to go Monday morning?

Thanks!
Katie

-----Original Message-----

From: Jereza, Catherine
Sent: Friday, January 05, 2018 5:38 PM
To: Smith, Wayne D <Wayne.Smith@hq.doe.gov>; Bowie, America <America.Bowie@hq.doe.gov>
Subject: 202c

Hi Wayne and America,

Attached is the DOE implementing regulations document, which provides the information required for requesting an order from the Secretary. Right after we talked I found the email with the application and relevant attachments from PJM for the ongoing 202c emergency order that began back in June. So we have the real thing for the most recent order!

In the mean time I will ask Rakesh Batrah and my staff to provide the applications for the previous orders.

Have a great weekend!

Katie

Catherine Jereza

Deputy Assistant Secretary, Transmission Permitting & Technical Assistance

Office of Electricity Delivery & Energy Reliability

U.S. Department of Energy

(o) 202.586.0334

(b) (6)

Shamika Lawrence

Shamika.Lawrence@hq.doe.gov

202.586.4666

** Please contact Shamika for all meeting and scheduling requests. **



1005 Congress Avenue,
Suite 650
Austin, TX 78701
CenterPointEnergy.com

September 14, 2008

Samuel W. Bodman
Secretary of Energy
U. S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

Kevin M. Kulevar
Assistant Secretary for Electricity Delivery and Energy Reliability
U. S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

David R. Hill
General Counsel
U. S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

RE: Emergency Interconnection of Electric Facilities and the Transfer of Electricity to
Alleviate an Emergency Shortage of Electric Power

Dear Sirs:

Pursuant to 10 CFR 205.377(c), CenterPoint Energy Houston Electric, LLC (CenterPoint Energy) is providing notice that it has provided an emergency interconnection of the electric facilities owned and operated by CenterPoint Energy to electric facilities owned and operated by Entergy Gulf States, Inc. (Entergy). CenterPoint Energy is the transmission and distribution service provider in the area in and around Houston, Texas, and operates within the Electric Reliability Council of Texas (ERCOT). In Docket No. E-6820, the Federal Power Commission issued an Order Approving Maintenance of Permanent Connection for Emergency Use Only on May 29, 1958. The Order allows CenterPoint Energy to maintain a permanent connection for emergency use only of a 138 kV tie at CenterPoint Energy's Huffman Switchrack near Huffman, Harris County, Texas, to Entergy's 138 kV Dayton-Huffman line.

Due to the landfall of Hurricane Ike, an emergency situation in Entergy's service territory has occurred. After consultation with representatives from the Department of Energy, the City of Houston, the Public Utility Commission of Texas, and other governmental agencies, it was determined that it was necessary to close the connection switches in order to provide emergency service to customers located within the service territory of Entergy. The interconnection was closed in order to serve load at 5:39 PM on Monday, September 15, 2008.

CenterPoint Energy will continue to work with the Public Utility Commission of Texas and the Department of Energy to address issues related to the provision of electric service. In addition, CenterPoint Energy will notify the Department of Energy after the emergency no longer exists and the connection is opened. Please contact me with related correspondence concerning this matter:

DeAnn T. Walker, Assistant General Counsel
CenterPoint Energy Houston Electric, LLC
1005 Congress, Suite 650
Austin, Texas 78701
Telephone: 512-397-3032
Facsimile: 512-397-3050
E-mail: deann.walker@CenterPointEnergy.com

If you should have any questions, please do not hesitate to contact me.

Yours truly,



DeAnn T. Walker
Assistant General Counsel

Cc: Chairman Barry T. Smitherman, Public Utility Commission of Texas
Commissioner Donna L. Nelson, Public Utility Commission of Texas
Commissioner Kenneth W. Anderson, Jr., Public Utility Commission of Texas
Chairman Joseph T. Kelliher, Federal Energy Regulatory Commission
Bob Kahn, Electric Reliability Council of Texas

RICHARD BLUMENTHAL
ATTORNEY GENERAL



55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120
(860) 808-5818

Office of The Attorney General
State of Connecticut

TELEFAX COMMUNICATION

Date: August 14, 2002

To: Secretary Spencer Abraham

Telefax #: (202) 586-4403

Number of Pages: 3
(including this)

From: R. Blumenthal

Telephone #: (860) 808-5820

Telefax #: (860) 808-5884

Information
faxed by: R. Snook

COMMENT: _____

NOTICE: This telecopy transmission and any accompanying documents may contain confidential or privileged information. They are intended only for use by the individual or entity named on this transmission sheet. If you are not the intended recipient, you are not authorized to disclose, copy, distribute or use in any manner the contents of this information. If you have received this transmission in error, please notify us by telephone immediately so that we can arrange retrieval of the faxed documents.

RICHARD BLUMENTHAL
ATTORNEY GENERAL



55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120

Office of The Attorney General
State of Connecticut

August 14, 2002

Honorable Spencer Abraham
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Secretary Abraham:

I have been informed that Mr. Richard Kessel of the Long Island Power Authority ("LIPA") has sought an order from the Department of Energy ("DOE") directing the Cross-Sound Cable Company LLC ("Cross Sound") to commence operation of an underwater electric transmission cable that has not been completely constructed and has not met the terms of its state and federal permits. Specifically, during May of this year, Cross Sound began installing a controversial power line between Connecticut and Long Island. Cross Sound was unable to complete installation to the required depth and, due to various important environmental concerns, the permits issued to Cross Sound prohibit construction under the Long Island Sound during the summer months. The relevant state and federal regulatory authorities concluded that the cable cannot be legally operated until the terms of the permits are met. Accordingly, I went to court to obtain an injunction to prevent illegal operation of the cable. Cross Sound, the defendant in that action, agreed in open court not to operate the cable until the environmental and safety terms of the permit are met.

Now LIPA is seeking a federal "emergency" order to compel Cross Sound to violate state and federal law. It is hardly necessary to point out that the safety of the public and the protection of the environment are paramount issues that cannot be cavalierly ignored by LIPA.

Further, there is no indication that any of the normal load-shedding or other activities associated with a true emergency have occurred on Long Island. It would make no sense to issue an order to violate state law and operate an incomplete transmission line that does not meet

August 14, 2002

Page 2

minimum safety standards when no emergency operating conditions exist in Long Island and when operation of the cable could trigger a true emergency in New England.

Even if there were a true emergency, the Federal Power Commission's (FPC) statutory authority simply does not permit the Department of Energy or the Commission to order that an unlicensed incomplete cable be used to transport electricity. The Federal Power Act (FPA) does not preempt the siting and licensing function of the states concerning electric transmission facilities. Rather, the FPA only authorizes federal authority over the operation and sale of electric transmission services after the transmission facilities are properly licensed by the State. 16 United States Code § 824a(b) provides certain emergency powers over the "connections of [electric transmission] facilities." Obviously, "facilities for the transmission of" electricity do not include unpermitted, incomplete and unsafe partially insulated cables.

LIPA has failed to make any factual showing that the extraordinary action it requests is appropriate. At present, LIPA has failed to show any likelihood of success in proving that a true emergency of the sort contemplated by the FPA exists. Second, LIPA has failed to show, much less recognize, the effect that a transfer of 300 MW of electricity from New England to Long Island would have on New England. Much of New England, and particularly Connecticut, shares the same weather as Long Island and thus is subject to the same power demands during a heat wave. Third, LIPA has failed to show that it has exhausted all other remedies available to it. LIPA has numerous interconnections with ConEd that may or may not be overloaded. Moreover, LIPA has failed to show that it has taken any steps to run peaking generating units on Long Island that were recently installed but are not yet able to run pursuant to New York environmental standards. Certainly LIPA should seek to meet or even lawfully circumvent New York law to meet its own power needs before it attempts to overrun the laws of its neighbor.

I urge you, therefore, to deny this improper, illegal and unjustified request.

Very truly yours,



RICHARD BLUMENTHAL

Secretary, The

From: Mitchell, Matilda [MMitchell@duanemorris.com]
Sent: Wednesday, August 24, 2005 7:12 PM
To: Secretary, The; Meyer, David; Parks, William; Kolevar, Kevin; Hill, David R.
Cc: Hollis, Sheila Slocum
Subject: Emergency Petition and Complaint of the District of Columbia Public Service Commission

TO WHOM THIS MAY CONCERN:

Attached is the Emergency Petition and Complaint of the District of Columbia Public Service Commission ("DCPSC") in Docket No. EL-05-145-000, requesting emergency relief from the Federal Energy Regulatory Commission and the Department of Energy regarding the shutdown of the Mirant Corporation's Potomac River Power Plant tonight at midnight. Please feel free to contact the DCPSC or me with any questions regarding this matter.

Sheila Hollis, attorney for the DCPSC

Sheila Slocum Hollis
Duane Morris LLP
1667 K Street, N.W.
Suite 700
Washington, D.C. 20006
(202) 776-7810
(202) 776-7801-fax
sshollis@duanemorris.com
www.duanemorris.com

<<DCPSC's Petition and Complaint.doc>>

Confidentiality Notice: This electronic mail transmission is privileged and confidential and is intended only for the review of the party to whom it is addressed. If you have received this transmission in error, please immediately return it to the sender. Unintended transmission shall not constitute waiver of the attorney-client or any other privilege.

8/25/2005

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY AND
FEDERAL ENERGY REGULATORY COMMISSION**

Emergency Petition and Complaint of)	Docket No. EL05-145-000
District of Columbia Public Service)	
Commission)	

**EMERGENCY PETITION AND COMPLAINT OF
THE DISTRICT OF COLUMBIA PUBLIC SERVICE COMMISSION**

Pursuant to Sections 202(c), 207 and 309 of the Federal Power Act ("FPA"), 16 U.S.C. §§ 824a(c), 824f and 825h, the District of Columbia Public Service Commission ("DCPSC") hereby submits this Emergency Petition and Complaint to avert the impending shutdown of the Potomac River Generating Station power plant ("Potomac River Plant" or "Plant") owned and operated by Mirant Corporation and its public utility subsidiaries (collectively, "Mirant") in Alexandria, Virginia.

Due to certain air quality concerns recently reported in an environmental study performed by the Virginia Department of Environmental Quality ("VDEQ"), Mirant has publicly announced that its Potomac River Plant will be shut down at midnight on August 24, 2005.¹ The DCPSC believes that, the proposed shutdown will have a drastic and potentially immediate effect on the electric reliability in the greater Washington, D.C., area and could expose hundreds of thousands of consumers, agencies of the Federal Government and critical federal infrastructure

¹ The DCPSC has not performed any independent study of the VDEQ findings and takes no position on the correctness of the VDEQ's findings.

to curtailments of electric service, load shedding and, potentially, blackouts. As a result, immediate action by the Secretary of Energy ("Secretary") and the Federal Energy Regulatory Commission ("FERC" or "Commission") is needed to avoid the potentially dangerous and security-threatening interruption of electric service to the District of Columbia that may occur as a result of the Potomac River Plant's proposed shutdown.

Accordingly, the DCPSC requests that the Secretary issue orders pursuant to Section 2021(c) of the FPA, finding that an emergency exists within the meaning of this statutory provision as a result of the proposed shutdown of the Potomac River Plant and direct Mirant to continue the operation of the Potomac River Plant until further orders are issued. The DCPSC further requests that the Commission, pursuant to its authority under Sections 207 and 309 of the FPA, institute a hearing and take immediate action preventing Mirant from ceasing operations at the Potomac River Plant to ensure that electric reliability in the area is not adversely affected.

I. NOTICE

All correspondence related to this proceeding should be addressed to:

Richard Beverly
General Counsel
Public Service Commission of the
District of Columbia
1333 H Street, N.W.
Washington, DC 20005
(202) 626-9200
(202) 626-9212

Sheila S. Hollis
Duane Morris LLP
1667 K Street N.W., Suite 700
Washington, DC 20006
(202) 776-7810
(202) 776-7801 (fax)

II. STATEMENT OF CONCERNS

The DCPSC is the agency charged with the protection of all retail electric system consumers within the District of Columbia, including matters involving the construction and operation of electric power facilities and the rates charged for electric power.²

The District of Columbia encompasses many critical aspects of the United States government. The White House, Congress, Supreme Court, and other essential Federal Courts, most cabinet level agencies including the Departments of State, Justice, Energy, Interior, Health and Human Services, Labor, and regulatory agencies, and a host of other essential entities are located in the District. In addition, large numbers of commercial and residential consumers are located in the District. A major load shedding event triggered by the shutdown of a major generating facility combined with extreme weather or other events on the grid could be catastrophic for the District and the Nation, could endanger homeland security and threaten the ability of the Nation to function worldwide and domestically. While the shutdown of the Potomac River Plant would not in and of itself immediately have these effects, the combination of other events, such as a severe weather situation, the loss of key transmission capability or other major outages, could endanger electric service to the District. The DCPSC, with the statutory responsibility to protect the consumers of electric energy in the District, including key Federal installations, is extremely concerned about the safety, reliability and availability of electric energy in the District. The shutdown of the Potomac River Plant scheduled by Mirant in response to VDEQ's studies threatens essential electric service to the District and thus to the Nation. It is in this light that the DCPSC hereby requests that the Department of Energy

² See 11 D.C. Code Ann. §§ 34-101, et seq.

("DOE"), the FERC, and the Department of Homeland Security take all appropriate and immediate steps to prevent the shutdown of the Potomac River Plant and to protect the Nation and the District of Columbia.

The DCPSC recognizes the complexity of the situation. The Potomac River Plant is owned by Mirant Corporation, a bankrupt enterprise with concerns regarding its potential liabilities under all scenarios with the Potomac River Plant operation or non-operation. (Mirant's proposed reorganization is pending before the FERC, and the DCPSC is an intervenor in that case and the DCPSC's Petition and Complaint are not intended to impact that proceeding.)

The Potomac River Plant is located in Virginia, which receives no power from it. Virginia has legitimate interest in the environmental impacts of the Potomac River Plant. And, distribution service in the District is provided by PEPCO, regulated by the DCPSC. Yet, there is no escaping the fact that the Potomac River Plant is for now and the foreseeable future, an essential element in the provision of electric service to the District of Columbia.³ Without the power generated by it, catastrophe could be very near. The DCPSC asks that the DOE and FERC immediately step in, pursuant to their jurisdiction under the Federal Power Act to protect the public and national interest and such other authority that exists, to prevent this extraordinary step from being taken by Mirant. The DCPSC also requests that its Petition and Complaint be referred to the Department of Homeland Security if the FERC and the DOE believe it is necessary.

³ See Washington Post Article of August 23, 2005 attached.

III. FACTUAL BACKGROUND

1. On August 22, 2005, Mirant Corporation announced that it had taken action to address concerns raised by a just-completed VDEQ environmental study of air quality in the vicinity of the Potomac River Plant.⁴

2. Mirant said that, as its initial response to the study, it had already reduced output of all five units at the Plant to their lowest feasible levels.

3. Mirant said it expects to meet soon with the VDEQ to discuss both short and long term plans to address air quality issues. If no acceptable short-term solutions can be found, Mirant will shut down all five units at the power Plant no later than midnight Wednesday, August 24, 2005 until a solution can be identified and implemented. It is DCPSC's understanding that no solution has been found as of the time of this filing.

4. On August 23, 2005, the DCPSC issued an order in Case No. 1023, directing PEPCO to review Mirant's August 22, 2005 press release and advise the DCPSC, in writing, of the extent to which Mirant's actions may negatively impact the local system and District of Columbia consumers. A copy of this Order is attached hereto.⁵

5. The coal-fired power Plant, which began operation in 1949, produces 482 megawatts of electricity for Washington, D.C. and surrounding communities. It is located in Alexandria, Va. The Plant has been identified as a critical component for the reliability of the electric grid in the Washington, D.C. area.

⁴ Mirant Press Release of August 22, 2005 attached.

⁵ See DCPSC's Order No. 13748 issued August 23, 2005.

6. The Plant has been designated by PJM Interconnection, the entity responsible for the reliability of the transmission system from the Mid-Atlantic States and some portions of some Midwestern states, as a facility critical to electric system reliability in the Washington, D.C. area. PJM's designation means that removing the Potomac River Plant could result in a severe strain on the transmission system and potential electrical outages if other key generation and transmission facilities become unavailable during high demand periods.

7. Because of the advance notice required to be given to PJM and the complex and lengthy physical process to shut down large coal-fired steam boilers, Mirant has continued to operate the Plant at a reduced level until midnight tonight.

8. If all of the units are shut down at Potomac River Plant, PEPCO has two 230 KV underground cables and two 69 KV lines through Blue Plains that may be available to supply the load that Potomac River Plant supplies. In addition, it is the DCPSC's understanding that PEPCO has developed as a second scenario, which assumes that if the Potomac River Plant is shut down and one of the two 230 KV lines were to go down, that there may nonetheless be sufficient transmission capability to supply the load provided by the Potomac River Plant. DCPSC considers such a scenario to be highly precarious, given the variables and the nature of the load in the District.

9. The VDEQ has been advised previously by the PJM of the impact of the shutdown of the Potomac River Plant. (See Attached letter from Craig Glazer, PJM Vice President, Government Policy, to VDEQ, dated April 14, 2004). In the PJM letter, a description of the technical aspects of the impact of the shutdown is set forth. We believe that the letter establishes the extremely serious nature of the immediate and long term impact of the Potomac River Plant shutdown.

IV. LEGAL BASIS FOR PETITION AND COMPLAINT

A. Secretary's Authority Under Section 202(c) of the FPA

Section 202(c) of the FPA states as follows:

Temporary connection and exchange of facilities during emergency. During the continuance of any war in which the United States is engaged, or whenever the Commission determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy or of fuel or water for generating facilities, or other causes, the Commission shall have authority, either upon its own motion or upon complaint, with or without notice, hearing, or report, to require by order such temporary connections of facilities and such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest. If the parties affected by such order fail to agree upon the terms of any arrangement between them in carrying out such order, the Commission, after hearing held either before or after such order takes effect, may prescribe by supplemental order such terms as it finds to be just and reasonable, including the compensation or reimbursement which should be paid to or by any such party.⁶

Under this provision, the Secretary is empowered "whenever [he] determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy or of fuel or water for generating facilities, or other causes . . . to require by order such temporary connections of facilities and such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest." The Secretary recently used this authority both during the 2000-2001 California crisis and the August 2003 Northeast blackout.⁷ As explained above and in the attached evidence, the proposed shut-down of the Potomac River Plant at midnight on August 24, 2005, creates a potential for similar

⁶ 16 U.S.C. § 824a(c).

⁷ See, e.g., Order pursuant to Section 202(c) of the Federal Power Act" (December 14, 2000); "Order pursuant to Section 202(c) of the Federal Power Act" (January 11, 2001), Order No. 202-03-1 (August 14, 2003).

blackouts to occur in the greater Washington, DC, area and may have a serious adverse effect on hundreds of thousands of consumers and the Federal Government and its agencies. The DCPSC, therefore, requests that the Secretary use its emergency authority under Section 202(c) of the FPA to order Mirant to continue operating its Potomac River Plant until further orders are issued by the Secretary or the Commission in the instant proceeding.

B. FERC's Authority Under Sections 207 and 309 of the FPA

Section 207 of the FPA provides as follows:

Whenever the Commission, upon complaint of a State commission, after notice to each State commission and public utility affected and after opportunity for hearing, shall find that any interstate service of any public utility is inadequate or insufficient, the Commission shall determine the proper, adequate, or sufficient service to be furnished, and shall fix the same by its order, rule, or regulation: Provided, That the Commission shall have no authority to compel the enlargement of generating facilities for such purposes, nor to compel the public utility to sell or exchange energy when to do so would impair its ability to render adequate service to its customers.⁸

This Emergency Petition and Complaint satisfies the requirements of this provision.

The DCPSC is a "State commission" within the meaning of Section 207 of the FPA. The Potomac River Plant provides "interstate service" by supplying electricity into Washington, DC, Maryland and across the entire PJM region. Mirant is a jurisdictional public utility under the FPA. The evidence attached hereto indicates that failure to avert the proposed shutdown of the Potomac River Plant will render this interstate service inadequate or insufficient. Further, no enlargement of the existing facilities is required and continuation of the Plant's operation will ensure that adequate service is rendered to Mirant's customers.

While Section 207 appears to require a hearing, the Commission is empowered, under Section 309 of the FPA, "to perform any and all acts, and to prescribe, issue, make, amend,

⁸ 16 U.S.C. 824f

and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of [the FPA].” The immediate relief requested in this Emergency Petition and Complaint comes squarely within this enforcement authority and is clearly in the national and public interest.

V. WAIVERS OF REGULATIONS AND SERVICE

Due to the emergency nature of the instant submission and the speed with which events have developed over the past 48 hours, the DCPSC requests a waiver of all DOE and FERC filing and other regulations that may be otherwise applicable to this submission including the regulations set forth at 10 C.F.R. § 205.370, et seq. The DCPSC is serving this Emergency Petition and complaint on all entities designated to receive service under 10 C.F.R. § 205.372. Granting this waiver is in the public interest.

VI. CONCLUSION

WHEREFORE, for the above stated reasons, the DCPSC requests that the Secretary and the FERC grant immediate relief as described herein.

Respectfully Submitted,

Richard A. Beverly
General Counsel
Public Service Commission of the
District of Columbia
1333 H Street, N.W.
Washington, DC 20005
Phone: (202) 626-9200
Fax: (202) 626-9212

s/ Sheila S. Hollis
Sheila S. Hollis
Ria Levine
Duane Morris LLP
1667 K Street, NW, Suite 700
Washington, D.C. 20006
Phone: (202) 776-7810
Fax: (202) 776-7801

ATTORNEYS FOR THE PUBLIC
SERVICE COMMISSION OF THE
DISTRICT OF COLUMBIA

DATE: August 24, 2005

1994 1995 1996

[illegible]

- SiO_2
- CO_2
- Al_2O_3
- Li_2O
- Na_2O
- Fe_2O_3
- CaO
- MgO
- K_2O

Network
Expertise
Applications
Service

The plant, which began operation in 1949, supplies enough electricity to the region's power grid to serve about 400,000 homes in the District and Maryland. It does not serve Virginia. Officials with PJM Interconnection, which manages the flow of electricity over transmission lines in 13 states and the District, said yesterday that a shutdown would not affect the area's power supply because it has alternative electricity sources.

"Barring some unforeseen circumstance, we'll be able to manage," said Terry Williamson, spokesman for PJM.

Alexandria-based Mirant Corp., which filed for bankruptcy in 2003, operates four plants in the area, including three in Maryland -- in Montgomery, Prince George's and Charles counties.

Neighbors of the Alexandria plant, on the banks of the Potomac in the northern end of the city, have complained for years about what they believed to be high levels of mercury, contaminants in the air and water, and of a sooty substance that they say covers surfaces around their homes and gardens.

In 2001, longtime residents decided to investigate, eventually submitting a thick report to the city that concluded that the plant was a potential danger. It cited several studies showing that a significant portion of the soot collected in the neighborhood was directly associated with Mirant. Last year, the City Council revoked a 12-year-old ordinance that allowed the plant to operate indefinitely, as well as two special-use permits, making the plant in violation of zoning and giving Mirant seven years to close shop.

In February, Mirant sued the city to stop the zoning changes. Mirant participated in the pollution study as part of a 2004 settlement agreement relating to alleged ozone violations at the Alexandria plant.

The report, based on data collected from 2000 to 2004, looks at worst-case scenarios involving pollution, weather and operational capacity. Researchers found that under certain conditions, levels of sulfur dioxide, nitrogen dioxide and particles in the vicinity of the plant are higher than the national ambient air quality standards allow.

For example, over a 24-hour period, the health-based limit for sulfur dioxide exposure is 365 micrograms per cubic meter. The study says the plant could release more than 5,000 micrograms per cubic meter within a heavily populated half-mile radius.

Johnson said Mirant will consider switching to a different type of coal that potentially has a lower sulfur content or to an injection technology that uses minerals to reduce sulfur output. Officials said

circulation

RSS Feeds

Top News

More

Feed: RSS - News Feed

EMAIL NEWSLETTERS

View a Sample and Sign Up

Today's Headlines &

Comments

Breaking News Alerts

Manage Your Newsletter

they might also consider increasing the height of their smokestacks to better allow pollutants to dissipate.

"We don't have to shut down if the solution we propose is satisfactory to all the parties involved," Johnson said. "That remains to be seen."

[Print This Article](#)

[E-Mail This Article](#)

[Permissions to Republish](#)

© 2005 The Washington Post Company

Advertising Links

[View All](#)

Save on All Your Calls with Vonage

When looking for local, regional and long distance calling, use Vonage. Transfer calls to all 50 states and Canada. Get vonage mail, grade, international rates and more. Sign up today. www.vonage.com

MyCashNow - \$100 - \$1,500 Overnight

Payday from Cash goes in your account overnight. Very low fees. Fast disburse. Direct deposit is not required. No credit check. Confidential. Loans. www.mycashnow.com

Refinance Rates Hit Record Low

Get \$100,000 loan for \$726 per month. Refinance while rates are low. www.lowermyrate.com

SEARCH  News  Web



powered by **YAHOO!** SEARCH

[Home](#) [D.C. POLITICS](#) [REPORTS](#) [ARTS & LIVING](#) [Discussions](#) [Photos & Video](#) [Entertainment Guide](#) [CLASSIFIEDS](#)

[Washingtonpost.com](#) [Contact Us](#) [About Us](#) | [Who is washingtonpost.com](#) | [Advertise](#) | [Media Center](#) | [Site Index](#) | [Site Map](#) | [Alerts](#) | [Group Newsletters](#) | [RSS Feeds](#) | [Wireless Access](#) | [Make Us Your Homepage](#) | [http://tiny.cc/engtopost.com](#)
The Washington Post: [Homepage](#) | [Subscriber Services](#) | [Advertise](#) | [Electronic Edition](#) | [Online Photo Store](#) | The Washington Post Company: [Information](#) | [Other PostCo Websites](#)

© Copyright 1996-2005 The Washington Post Company | [Privacy Agreement and Privacy Policy](#) | [Rights and Permissions](#)

News Release

Media contact:

Steve Arabia, (b) (6)
steven.arabia@mirant.com

David Thompson, (b) (6)
dave.thompson@mirant.com

Investor relations contact:

Cameron Bready, (b) (6)
cameron.bready@mirant.com

Stockholder inquiries:
(b) (6)



August 22, 2005

Mirant Takes Immediate Action to Address Air Quality Concerns Raised in New Study Of Area Near Potomac River Generating Station

*Plant Operations Have Been Significantly Reduced; Full Shut Down to Occur
Unless Acceptable Interim Operating Plan Can Be Identified by Wednesday*

ALEXANDRIA, VA Mirant Corp. (Pink Sheets:MRKKQ) announced today that it has taken rapid action to address concerns raised by a just-completed environmental computer modeling study of air quality in the vicinity of Mirant's Potomac River generating station.

Mirant said that, as its initial response to the study findings, it has already reduced output of all five units at the plant to their lowest feasible levels.

Mirant said it expects to meet soon with the Virginia Department of Environmental Quality (DEQ) to discuss both short and long-term plans to resolve the newly identified local air quality issues. If no acceptable short-term solutions can be found, Mirant will shut down all five units at the power plant no later than midnight Wednesday, August 24, until a solution can be identified and implemented.

Even taking the new study findings into consideration, the Potomac River generating station remains in compliance with all its operating permits, which set overall limits on the quantity of emissions from the plant, the company said.

The coal-fired power plant, which began operation in 1949, produces 482 megawatts of electricity for Washington D.C. and surrounding communities. It is located in Alexandria, VA. The plant has been identified as a critical component for the reliability of the electric grid in the Washington, D.C. area.

"As soon as we received results of an environmental computer modeling analysis that showed emissions from the Potomac River generating station could be significantly contributing to localized, modeled exceedances of National Ambient Air Quality Standards (NAAQS), we acted quickly," said Curt Morgan, executive vice president and chief operating officer, Mirant.

"However, it's important to understand the nature of the study that has just been completed. The computer model was designed to analyze local air quality levels using a 'worst case' set of assumptions, including the operation of all five units at maximum permitted output with maximum emissions, combined with unfavorable wind conditions. These combined circumstances do not typically occur all at once, so the model works with hypothetical conditions that are not usually seen during normal plant operation," Mr. Morgan said. "Nevertheless, we take these findings extremely seriously, as demonstrated by our actions."

"The decision to curtail and possibly halt power production at the plant involves many complex issues, including important electric system reliability considerations in the Nation's Capital and throughout the Mid-Atlantic region. We are working closely with all affected parties. However, the overriding factor in our decision has been, and will continue to be, protection of public health," said Lisa D. Johnson, president, Mirant's Northeast and Mid-Atlantic business unit.

The plant has been designated by PJM Interconnection, the entity responsible for the reliability of the transmission system from the Mid-Atlantic states as far west as Chicago, as a facility critical to electric system reliability in the Washington, D.C. area. PJM's designation means that removing the Potomac River generating station could result in a strain on the transmission system and potential electrical outages if other key generation and transmission facilities become unavailable during high demand periods.

Because of the advance notice required to be given to the regional electric grid operator and the complex and lengthy physical process to shut down large coal-fired steam boilers, Mirant will continue to operate the plant at a reduced level for a few days.

The company also noted that it will maintain the plant in a state of operational readiness during the period of reduced operations or temporary shutdown of all units.

The new findings arose in a study completed August 19, 2005. It was commissioned under an agreement between Mirant and the Virginia Department of Environmental Quality (DEQ). The computer modeling of five air pollutants from the plant showed that for three types of emissions -- PM₁₀ (particulate matter with an aerodynamic diameter of 10 micrometers or smaller), NO₂ (nitrogen dioxide), and SO₂ (sulfur dioxide) -- the plant's emissions have the potential to contribute to localized, modeled exceedances of NAAQS under some conditions.

The potential localized air quality concerns impact an area within a half-mile radius of the plant. The newly identified air quality impacts are the result of a phenomenon known as "downwash." According to the U.S. Environmental Protection Agency, downwash is defined as "impacts associated with building wake effects. These effects cause the pollutant plume to fall to ground-level quicker." At the Potomac River plant, the unique combination of relatively short emissions stacks at the power plant (165 feet) and the presence of nearby tall buildings -- built well after

the power plant was completed - produce conditions that the newly completed computer model identified as being capable of causing downwash under some wind conditions. Computer modeling of possible downwash effects had never previously been required or conducted at the Potomac River plant.

"Although the exact time frame for the return to full service of the Potomac River power plant cannot currently be determined, we are confident that we can identify solutions, and hopeful we can gain the cooperation of all parties to implement them," Ms. Johnson said.

Mirant said it does not expect to return the plant to full service until appropriate solutions are implemented. However, Mirant may be required to operate the plant to meet mandatory system stability obligations, or if there is a legal obligation to operate the plant at higher output levels than would otherwise be in effect. Mirant also said it will need to operate plant units occasionally at test technological modifications to the plant.

Mirant is a competitive energy company that produces and sells electricity in the United States, the Caribbean and the Philippines. Mirant owns or leases more than 18,000 megawatts of electric generating capacity globally. The company operates an asset management and energy marketing organization from its headquarters in Atlanta. For more information, please visit www.mirant.com.

#

Caution regarding forward-looking statements

Some of the statements included herein involve forward-looking information. Mirant cautions that these statements involve known and unknown risks and that there can be no assurance that such results will occur. There are various important factors that could cause actual results to differ materially from those indicated in the forward-looking statements, such as, but not limited to: (i) the instructions, actions, decisions and orders of the U.S. Bankruptcy Court for the Northern District of Texas, Fort Worth Division in connection with the voluntary petitions for reorganization filed on July 14, 2003, July 15, 2003, August 18, 2003, October 3, 2003 and November 18, 2003, by Mirant Corporation and substantially all of its wholly-owned and certain non-wholly-owned U.S. subsidiaries under Chapter 11 (Chapter 11') of the United States Bankruptcy Code; (ii) the duration of Mirant's Chapter 11 proceedings and the effects of the Chapter 11 proceedings on Mirant's liquidity; (iii) changes in, or changes in the application of, environmental and other laws and regulations to which Mirant and its subsidiaries and affiliates are subject; (iv) the performance of Mirant's assets and projects; (v) potential business strategies, including acquisitions or dispositions of assets that Mirant may pursue; (vi) weather and other natural phenomenon; (vii) timely completion of permitting requirements and regulatory approvals; (viii) Mirant's inability to complete required modifications to the Potomac River facility or its operations to address the downwash issue; (ix) actions and claims of third parties (including regulators) in response to Mirant's plans to address the downwash issue and (x) other factors discussed in Mirant's Annual Report on Form 10-K for the year ended December 31, 2004 or Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 filed with the Securities and Exchange Commission ("SEC"), in Mirant Americas Generation, LLC's Annual Report on Form 10-K for the year ended December 31, 2004 or Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 filed with the SEC, or in Mirant Mid-Atlantic.

LLC's Annual Report on Form 10-K for the year ended December 31, 2004 or Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 filed with the SEC.



Craig A. Glazer

Vice President - Governmental Policy
PEM Washington Office
(202) 393-7756 FAX (202) 393-7767
e-mail: glazer@pem.com

Via Electronic Mail

April 12, 2004

Director
Office of Air Regulators Development
Department of Environmental Quality
639 East Main Street
P.O. Box 10069
Richmond, Virginia 23266

Re: Potomac River Generating Plant

Dear Director:

PEM Interconnection L.L.C. ("PEM") is the Regional Transmission Organization responsible for the maintenance of electric reliability in the service territory of Potomac Electric Power Company (PEPCO). The Potomac River Generating Plant which serves western Washington, D.C. is within the PEM Control Area. We are writing in response to your request for formal written comments concerning a proposed amendment to the state operating permit for the Mirant Mid-Atlantic Potomac River Station located in the City of Alexandria, Virginia. This letter is similar to one we previously submitted to Mirant on April 7 in response to their request and is a supplement to our letter of March 2, 2004 to Jack Weisbach, a copy of which is attached for submission in the record.

This letter does not address the impact that any set of emissions standards might have on the availability or operations of the Potomac River power plant. Rather, PEM has taken as its assumption the representation made by Mirant of a limit in production by as much as 5.0-6.0% from historical levels. PEM Interconnection LLC ("PEM") has reviewed the requirement for this plant strictly from a reliability perspective in order to determine what is required to maintain suitable reliability in the region. PEM's reliability standards are governed by Mid-Atlantic Area Council ("MAAC") criteria. MAAC criteria states that the system must be planned to sustain the loss of one transmission element with any other transmission system element out of service (an N-2 contingency) under peak load conditions. As explained below, PEM expects that a minimum of three Potomac River units must be running at all times during moderate load periods (moderate load period is approximately between October and June) and all five units must be running during the summer peak load time period (approximately June through September) in order to ensure reliability.

As discussed in Denise Foster's letter to the Virginia DFO dated March 2, 2004, recent analysis has confirmed that a minimum of one Potomac River unit must be available at peak load conditions to eliminate any reliability concerns. One unit is sufficient at both of the two Palmyra Corner 230 kV circuits are in service. In the event

an outage of either Palmdale Corner-Blue Plains 230 kV circuit sufficient generation must be available to balance the load in the area for the loss of the other 230 kV circuit. While the exact MWs of generation required depend on the load existing at the time of the outage, review of the historical area data indicates that under all circumstances between three and five Potomac River generators would be required to maintain reliability when either or the Palmdale Corner 230 kV circuit are out of service. For example, in the event one of the lines to the Potomac River plant is out of service due to maintenance, the system must be adjusted in order to be prepared to lose the next line a week.

Peak load for the summer in this region occurs between June 15 and September 15. During this period, PJM anticipates that all units would be required to be available in order to ensure reliability, as described above. The requirement "available to run" means the units must be made available within four hours to an unplanned trip of one of the 230 kV transmission lines serving the Potomac River plant. The start up data that has been provided to PJM by Mirant shows that the Potomac River plants require a minimum of 43 to 83 hours notice to start from the cold state.

During summer peak conditions, all five of the Potomac River units should be required to remain available within a four hour period, or remain "hot." PJM further anticipates that under typical non-peak conditions, two or three of the units would be required to remain hot for seven days a week. All five units would be required to remain hot and available to run from Tuesday through Friday each week, in order to accommodate days of the week when the load has historically reached its highest level. Theoretically, and depending on load, certain units could be shut down for the weekend with prior approval from PJM.

In summary, if Mirant intends to run the units with production decreased by 50-60%, this situation may cause the transmission system to be not compliant with PJM's reliability standards, and PJM would request permission to have these plants available for reliability purposes.

PJM has had limited time to analyze all of the facts and consider alternatives that would address the DEQ's environmental concerns while also ensuring the continued reliability of electric power supply in greater Washington. We would welcome the opportunity to work with you and the Department in order to explore the facts further and determine a resolution that meets our respective public policy goals. Please contact the undersigned or Ms. Denise Foster of PJM should you wish to discuss this issue further.

Sincerely,

Craig Glazer
Vice President—Government Policy
PJM Interconnection, L.L.C.
202-393-7256
CG_GLAZER@PJM.COM

1023-E-160

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, N.W., SUITE 200, WEST TOWER
WASHINGTON, DC 20005

ORDER

August 23, 2005

FORMAL CASE NO. 1023 IN THE MATTER OF THE INVESTIGATION
INTO THE EFFECT OF THE BANKRUPTCY OF MIRANT CORPORATION
ON THE RETAIL ELECTRIC SERVICE IN THE DISTRICT OF COLUMBIA,
Order No. 13748

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") directs the Potomac Electric Power Company ("Pepco") to review the attached Mirant Corporation ("Mirant") August 22, 2005 Press Release and advise the Commission, in writing, of the extent to which Mirant's actions may negatively impact the local system and District of Columbia consumers.

II. BACKGROUND

2. On August 22, 2005, Mirant issued a Press Release announcing that it had taken immediate action to reduced to the lowest feasible levels the output of all five of the units at the generation station and that it would potentially close down the station until an acceptable solution to the local air quality issues are identified and implemented. Mirant maintains that it remains in compliance with the overall limits set on the quantity of emissions from the plant.

3. The press release noted that PJM interconnection has designated the generation station as the entity responsible for the reliability of the transmission system for the Mid-Atlantic States and as critical to electric system reliability in the District of Columbia. The press release goes on to state that removal of the generation station could cause a strain on the transmission system and also electrical outages if other key generation and transmission facilities become unavailable during high demand periods.

III. DISCUSSION

4. The Commission is aware that Mirant is faced with a number of issues concerning the continued operation of the Potomac River Generating Station. However, the Commission's primary concern is system reliability in the District of Columbia. To that end, Pepco must provide an immediate assessment to the Commission regarding the impact Mirant's actions might have on the District of Columbia electrical system and

District of Columbia consumers. In its submission, Pepco must include its plan for dealing with the potential impact(s) of the shutdown of the Potomac River Generation Station, if it occurs. Additionally, Pepco is to provide to the Commission any other information pertaining to this matter received from PJM, Mprant, or any other source.

THEREFORE, IT IS ORDERED THAT:

5. Pepco is to file a response in accordance with paragraph four (4) of this Order in no later than five (5) days.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:



CHIEF CLERK

FREDA A. JAMES
ACTING COMMISSION SECRETARY



323 Erie (Longden) Boulevard
Suite 403
Jamaica, NY 11553
(516) 222-7700 Fax (516) 222-9737
<http://www.lipower.org>

August 15, 2002

The Honorable Spencer Abraham
Secretary
United States Department of Energy
1000 Independence Avenue, S.W.
Washington D.C. 20585

Re: Request for Order Pursuant to Section 202(c) of the Federal Act

Dear Secretary Abraham:

This letter responds to your request for comment on the letter of the Attorney General of Connecticut dated August 14, 2002 addressing the captioned matter. At the outset, I wish to affirm that the Attorney General's letter was without factual or legal foundation.

The Attorney General's statement that there is no evidence of an electrical emergency warranting issuance of an emergency order under §202(c) of the Federal Power Act is wholly incorrect. The relevant facts demonstrating this error are set forth in LIPA's request for such an order dated August 14, 2002. Among the errors the Attorney General makes are the following:

1. The Cross Sound Cable is complete, tested, ready to operate and fully certificated and permitted by the relevant federal and state authorities, including Connecticut.
2. The authorities in New England and New York, with responsibility for assuring regional electrical supply in those regions, i.e. ISO New England and the New York ISO, confirm that generating capacity is fully committed and that reserve margins are below levels necessary to protect against contingencies that would interrupt service.
3. LIPA has exhausted alternatives to supplementation of generation through the Cross Sound Cable. It has been running all of its peaking units all summer, and will continue to do so to meet load caused by the extremely hot weather projected over the next few weeks.

August 15, 2002

Page 2 of 2

The Attorney General has neither the statutory jurisdiction nor the technical expertise to assess electrical needs in New York and New England. Such assessments are the province of the regional power pools, the state commissions responsible for regulating retail electric service, the Federal Energy Regulatory Commission, and under Section 202(c) of the Federal Power Act, the Secretary of Energy.

Finally, the Attorney General's contention that Section 202(c) of the Federal Power Act does not preempt state law as he interprets it is wholly mistaken. Section 202(c) is founded on both the Commerce and War Powers in Article I, Sec. 8 of the Constitution. It is designed to address emergencies caused by war and power shortages of the kind presently threatened in Southeastern New York, and plainly over-rides state authorities who would frustrate its goals. Section 202(c)'s references to transmission confirm that a completed line like the Cross Sound Cable is subject to its requirements.

Sincerely,

LONG ISLAND POWER AUTHORITY



Richard M. Kessel

Chairman and Chief Executive Officer



Secretary, The

From: Mitchell, Matilda [MMitchell@duanemorris.com]
Sent: Wednesday, August 24, 2005 7:12 PM
To: Secretary, The; Meyer, David; Parks, William; Kolevar, Kevin; Hill, David R.
Cc: Hollis, Sheila Slocum
Subject: Emergency Petition and Complaint of the District of Columbia Public Service Commission

TO WHOM THIS MAY CONCERN:

Attached is the Emergency Petition and Complaint of the District of Columbia Public Service Commission ("DCPSC") in Docket No. EL-05-145-000, requesting emergency relief from the Federal Energy Regulatory Commission and the Department of Energy regarding the shutdown of the Mirant Corporation's Potomac River Power Plant tonight at midnight. Please feel free to contact the DCPSC or me with any questions regarding this matter.

Sheila Hollis, attorney for the DCPSC

Sheila Slocum Hollis
Duane Morris LLP
1667 K Street, N.W.
Suite 700
Washington, D.C. 20006
(202) 776-7810
(202) 776-7801-fax
sshollis@duanemorris.com
www.duanemorris.com

<<DCPSC's Petition and Complaint.doc>>

Confidentiality Notice: This electronic mail transmission is privileged and confidential and is intended only for the review of the party to whom it is addressed. If you have received this transmission in error, please immediately return it to the sender. Unintended transmission shall not constitute waiver of the attorney-client or any other privilege.

8/25/2005

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY AND
FEDERAL ENERGY REGULATORY COMMISSION**

Emergency Petition and Complaint of)	Docket No. EL05-145-000
District of Columbia Public Service)	
Commission)	

**EMERGENCY PETITION AND COMPLAINT OF
THE DISTRICT OF COLUMBIA PUBLIC SERVICE COMMISSION**

Pursuant to Sections 202(c), 207 and 309 of the Federal Power Act ("FPA"), 16 U.S.C. §§ 824a(c), 824f and 825h, the District of Columbia Public Service Commission ("DCPSC") hereby submits this Emergency Petition and Complaint to avert the impending shutdown of the Potomac River Generating Station power plant ("Potomac River Plant" or "Plant") owned and operated by Mirant Corporation and its public utility subsidiaries (collectively, "Mirant") in Alexandria, Virginia.

Due to certain air quality concerns recently reported in an environmental study performed by the Virginia Department of Environmental Quality ("VDEQ"), Mirant has publicly announced that its Potomac River Plant will be shut down at midnight on August 24, 2005.¹ The DCPSC believes that, the proposed shutdown will have a drastic and potentially immediate effect on the electric reliability in the greater Washington, D.C., area and could expose hundreds of thousands of consumers, agencies of the Federal Government and critical federal infrastructure

¹ The DCPSC has not performed any independent study of the VDEQ findings and takes no position on the correctness of the VDEQ's findings.

to curtailments of electric service, load shedding and, potentially, blackouts. As a result, immediate action by the Secretary of Energy ("Secretary") and the Federal Energy Regulatory Commission ("FERC" or "Commission") is needed to avoid the potentially dangerous and security-threatening interruption of electric service to the District of Columbia that may occur as a result of the Potomac River Plant's proposed shutdown.

Accordingly, the DCPSC requests that the Secretary issue orders pursuant to Section 202(e) of the FPA, finding that an emergency exists within the meaning of this statutory provision as a result of the proposed shutdown of the Potomac River Plant and direct Mirant to continue the operation of the Potomac River Plant until further orders are issued. The DCPSC further requests that the Commission, pursuant to its authority under Sections 207 and 309 of the FPA, institute a hearing and take immediate action preventing Mirant from ceasing operations at the Potomac River Plant to ensure that electric reliability in the area is not adversely affected.

I. NOTICE

All correspondence related to this proceeding should be addressed to:

Richard Beverly
General Counsel
Public Service Commission of the
District of Columbia
1333 H Street, N.W.
Washington, DC 20005
(202) 626-9200
(202) 626-9212

Sheila S. Hollis
Duane Morris LLP
1667 K Street N.W., Suite 700
Washington, DC 20006
(202) 776-7810
(202) 776-7801 (fax)

II. STATEMENT OF CONCERNS

The DCPSC is the agency charged with the protection of all retail electric system consumers within the District of Columbia, including matters involving the construction and operation of electric power facilities and the rates charged for electric power.²

The District of Columbia encompasses many critical aspects of the United States government. The White House, Congress, Supreme Court, and other essential Federal Courts, most cabinet level agencies including the Departments of State, Justice, Energy, Interior, Health and Human Services, Labor, and regulatory agencies, and a host of other essential entities are located in the District. In addition, large numbers of commercial and residential consumers are located in the District. A major load shedding event triggered by the shutdown of a major generating facility combined with extreme weather or other events on the grid could be catastrophic for the District and the Nation, could endanger homeland security and threaten the ability of the Nation to function worldwide and domestically. While the shutdown of the Potomac River Plant would not in and of itself immediately have these effects, the combination of other events, such as a severe weather situation, the loss of key transmission capability or other major outages, could endanger electric service to the District. The DCPSC, with the statutory responsibility to protect the consumers of electric energy in the District, including key Federal installations, is extremely concerned about the safety, reliability and availability of electric energy in the District. The shutdown of the Potomac River Plant scheduled by Mirant in response to VDEQ's studies threatens essential electric service to the District and thus to the Nation. It is in this light that the DCPSC hereby requests that the Department of Energy

² See 11 D.C. Code Ann. §§ 34-101, et seq.

("DOE"), the FERC, and the Department of Homeland Security take all appropriate and immediate steps to prevent the shutdown of the Potomac River Plant and to protect the Nation and the District of Columbia.

The DCPSC recognizes the complexity of the situation. The Potomac River Plant is owned by Mirant Corporation, a bankrupt enterprise with concerns regarding its potential liabilities under all scenarios with the Potomac River Plant operation or non-operation. (Mirant's proposed reorganization is pending before the FERC, and the DCPSC is an intervenor in that case and the DCPSC's Petition and Complaint are not intended to impact that proceeding.)

The Potomac River Plant is located in Virginia, which receives no power from it. Virginia has legitimate interest in the environmental impacts of the Potomac River Plant. And, distribution service in the District is provided by PEPCO, regulated by the DCPSC. Yet, there is no escaping the fact that the Potomac River Plant is for now and the foreseeable future, an essential element in the provision of electric service to the District of Columbia.³ Without the power generated by it, catastrophe could be very near. The DCPSC asks that the DOE and FERC immediately step in, pursuant to their jurisdiction under the Federal Power Act to protect the public and national interest and such other authority that exists, to prevent this extraordinary step from being taken by Mirant. The DCPSC also requests that its Petition and Complaint be referred to the Department of Homeland Security if the FERC and the DOE believe it is necessary.

³ See Washington Post Article of August 23, 2005 attached.

III. FACTUAL BACKGROUND

1. On August 22, 2005, Mirant Corporation announced that it had taken action to address concerns raised by a just-completed VDEQ environmental study of air quality in the vicinity of the Potomac River Plant.⁴

2. Mirant said that, as its initial response to the study, it had already reduced output of all five units at the Plant to their lowest feasible levels.

3. Mirant said it expects to meet soon with the VDEQ to discuss both short and long term plans to address air quality issues. If no acceptable short-term solutions can be found, Mirant will shut down all five units at the power Plant no later than midnight Wednesday, August 24, 2005 until a solution can be identified and implemented. It is DCPSC's understanding that no solution has been found as of the time of this filing.

4. On August 23, 2005, the DCPSC issued an order in Case No. 1023, directing PEPCO to review Mirant's August 22, 2005 press release and advise the DCPSC, in writing, of the extent to which Mirant's actions may negatively impact the local system and District of Columbia consumers. A copy of this Order is attached hereto.⁵

5. The coal-fired power Plant, which began operation in 1949, produces 482 megawatts of electricity for Washington, D.C. and surrounding communities. It is located in Alexandria, Va. The Plant has been identified as a critical component for the reliability of the electric grid in the Washington, D.C. area.

⁴ Mirant Press Release of August 22, 2005 attached.

⁵ See DCPSC's Order No. 13748 issued August 23, 2005.

6. The Plant has been designated by PJM Interconnection, the entity responsible for the reliability of the transmission system from the Mid-Atlantic States and some portions of some Midwestern states, as a facility critical to electric system reliability in the Washington, D.C. area. PJM's designation means that removing the Potomac River Plant could result in a severe strain on the transmission system and potential electrical outages if other key generation and transmission facilities become unavailable during high demand periods.

7. Because of the advance notice required to be given to PJM and the complex and lengthy physical process to shut down large coal-fired steam boilers, Mirant has continued to operate the Plant at a reduced level until midnight tonight.

8. If all of the units are shut down at Potomac River Plant, PEPCO has two 230 KV underground cables and two 69 KV lines through Blue Plains that may be available to supply the load that Potomac River Plant supplies. In addition, it is the DCPSC's understanding that PEPCO has developed as a second scenario, which assumes that if the Potomac River Plant is shut down and one of the two 230 KV lines were to go down, that there may nonetheless be sufficient transmission capability to supply the load provided by the Potomac River Plant. DCPSC considers such a scenario to be highly precarious, given the variables and the nature of the load in the District.

9. The VDEQ has been advised previously by the PJM of the impact of the shutdown of the Potomac River Plant. (See Attached letter from Craig Glazer, PJM Vice President, Government Policy, to VDEQ, dated April 14, 2004). In the PJM letter, a description of the technical aspects of the impact of the shutdown is set forth. We believe that the letter establishes the extremely serious nature of the immediate and long term impact of the Potomac River Plant shutdown.

IV. LEGAL BASIS FOR PETITION AND COMPLAINT

A. Secretary's Authority Under Section 202(c) of the FPA

Section 202(c) of the FPA states as follows:

Temporary connection and exchange of facilities during emergency. During the continuance of any war in which the United States is engaged, or whenever the Commission determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy or of fuel or water for generating facilities, or other causes, the Commission shall have authority, either upon its own motion or upon complaint, with or without notice, hearing, or report, to require by order such temporary connections of facilities and such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest. If the parties affected by such order fail to agree upon the terms of any arrangement between them in carrying out such order, the Commission, after hearing held either before or after such order takes effect, may prescribe by supplemental order such terms as it finds to be just and reasonable, including the compensation or reimbursement which should be paid to or by any such party.⁶

Under this provision, the Secretary is empowered "whenever [he] determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy or of fuel or water for generating facilities, or other causes . . . to require by order such temporary connections of facilities and such generation, delivery, interchange, or transmission of electric energy as in its judgment will best meet the emergency and serve the public interest." The Secretary recently used this authority both during the 2000-2001 California crisis and the August 2003 Northeast blackout.⁷ As explained above and in the attached evidence, the proposed shut-down of the Potomac River Plant at midnight on August 24, 2005, creates a potential for similar

⁶ 16 U.S.C. § 824a(c).

⁷ See, e.g., Order pursuant to Section 202(c) of the Federal Power Act" (December 14, 2000); "Order pursuant to Section 202(c) of the Federal Power Act" (January 11, 2001), Order No. 202-03-1 (August 14, 2003).

blackouts to occur in the greater Washington, DC, area and may have a serious adverse effect on hundreds of thousands of consumers and the Federal Government and its agencies. The DCPSC, therefore, requests that the Secretary use its emergency authority under Section 202(c) of the FPA to order Mirant to continue operating its Potomac River Plant until further orders are issued by the Secretary or the Commission in the instant proceeding.

B. FERC's Authority Under Sections 207 and 309 of the FPA

Section 207 of the FPA provides as follows:

Whenever the Commission, upon complaint of a State commission, after notice to each State commission and public utility affected and after opportunity for hearing, shall find that any interstate service of any public utility is inadequate or insufficient, the Commission shall determine the proper, adequate, or sufficient service to be furnished, and shall fix the same by its order, rule, or regulation: Provided, That the Commission shall have no authority to compel the enlargement of generating facilities for such purposes, nor to compel the public utility to sell or exchange energy when to do so would impair its ability to render adequate service to its customers.⁸

This Emergency Petition and Complaint satisfies the requirements of this provision.

The DCPSC is a "State commission" within the meaning of Section 207 of the FPA. The Potomac River Plant provides "interstate service" by supplying electricity into Washington, DC, Maryland and across the entire PJM region. Mirant is a jurisdictional public utility under the FPA. The evidence attached hereto indicates that failure to avert the proposed shutdown of the Potomac River Plant will render this interstate service inadequate or insufficient. Further, no enlargement of the existing facilities is required and continuation of the Plant's operation will ensure that adequate service is rendered to Mirant's customers.

While Section 207 appears to require a hearing, the Commission is empowered, under Section 309 of the FPA, "to perform any and all acts, and to prescribe, issue, make, amend,

⁸ 16 U.S.C. 824f

and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of [the FPA].” The immediate relief requested in this Emergency Petition and Complaint comes squarely within this enforcement authority and is clearly in the national and public interest.

V. WAIVERS OF REGULATIONS AND SERVICE

Due to the emergency nature of the instant submission and the speed with which events have developed over the past 48 hours, the DCPSC requests a waiver of all DOE and FERC filing and other regulations that may be otherwise applicable to this submission including the regulations set forth at 10 C.F.R. § 205.370, et seq. The DCPSC is serving this Emergency Petition and complaint on all entities designated to receive service under 10 C.F.R. § 205.372. Granting this waiver is in the public interest.

VI. CONCLUSION

WHEREFORE, for the above stated reasons, the DCPSC requests that the Secretary and the FERC grant immediate relief as described herein.

Respectfully Submitted,

Richard A. Beverly
General Counsel
Public Service Commission of the
District of Columbia
1333 H Street, N.W.
Washington, DC 20005
Phone: (202) 626-9200
Fax: (202) 626-9212

s/ Sheila S. Hollis
Sheila S. Hollis
Ria Levine
Duane Morris LLP
1667 K Street, NW, Suite 700
Washington, D.C. 20006
Phone: (202) 776-7810
Fax: (202) 776-7801

ATTORNEYS FOR THE PUBLIC
SERVICE COMMISSION OF THE
DISTRICT OF COLUMBIA

DATED: August 24, 2005

Dreaming of a weekend getaway on a farm in the Blue Ridge Mountains?

washingtonpost.com > Metro > Virginia > Alexandria

Print this Article
 E-Mail this Article
 Bookmark this Article

GOVERNMENT AFFAIRS
 By Leah Smith
 Staff Writer
 Tuesday, August 22, 2006
 11:45 a.m.
 12:00 p.m.
 1:00 p.m.
 2:00 p.m.
 3:00 p.m.
 4:00 p.m.
 5:00 p.m.
 6:00 p.m.
 7:00 p.m.
 8:00 p.m.
 9:00 p.m.
 10:00 p.m.
 11:00 p.m.
 12:00 a.m.

Power Plant Faces Shutdown Over Pollutants Mirant Facility That Serves D.C., Md. Violates National Air Quality Standards, Analysis Shows

By Leah Smith
 Washington Post Staff Writer
 Tuesday, August 22, 2006, Page D01

The Mirant Corp. power plant in Alexandria, which provides electricity to homes in the District and Maryland, is in violation of national air quality standards and has been ordered by Virginia officials to take immediate steps to reduce pollution. Mirant officials said they will shut down the plant by tomorrow night if they can't satisfy the state's demand.

The directive was issued Friday night by the Department of Environmental Quality after reviewing the results of an analysis that showed that some pollutants found in the vicinity of the coal-fired power plant are at times considerably higher than what national standards allow.

"People should be concerned about this information," said Bill Hayden, spokesman for the Department of Environmental Quality. "That's why we want to have steps taken immediately to fix it."

Mirant officials responded Sunday night by reducing the output of all five of its boilers from a maximum output of 450 megawatts of electricity to 175 megawatts and said they plan to meet with state officials tomorrow afternoon to discuss plans to resolve air-quality issues. Still, Mirant officials said they will temporarily shut the plant no later than tonight, tomorrow if no acceptable short-term solution is agreed on.

"We acted very quickly in this matter" to address the public health concern, said Lisa D. Johnson, Mirant's regional president.



- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35
- 36
- 37
- 38
- 39
- 40
- 41
- 42
- 43
- 44
- 45
- 46
- 47
- 48
- 49
- 50
- 51
- 52
- 53
- 54
- 55
- 56
- 57
- 58
- 59
- 60
- 61
- 62
- 63
- 64
- 65
- 66
- 67
- 68
- 69
- 70
- 71
- 72
- 73
- 74
- 75
- 76
- 77
- 78
- 79
- 80
- 81
- 82
- 83
- 84
- 85
- 86
- 87
- 88
- 89
- 90
- 91
- 92
- 93
- 94
- 95
- 96
- 97
- 98
- 99
- 100

Network
Expertise
Applications
Service

The plant, which began operation in 1949, supplies enough electricity to the region's power grid to serve about 400,000 homes in the District and Maryland. It does not serve Virginia. Officials with PJM Interconnection, which manages the flow of electricity over transmission lines in 13 states and the District, said yesterday that a shutdown would not affect the area's power supply because it has alternative electricity sources.

"Barring some unforeseen circumstance, we'll be able to manage," said Terry Williamson, spokesman for PJM.

Alexandria-based Mirant Corp., which filed for bankruptcy in 2003, operates four plants in the area, including three in Maryland -- in Montgomery, Prince George's and Charles counties.

Neighbors of the Alexandria plant, on the banks of the Potomac in the northern end of the city, have complained for years about what they believed to be high levels of mercury, contaminants in the air and water, and of a sooty substance that they say covers surfaces around their homes and gardens.

In 2001, longtime residents decided to investigate, eventually submitting a thick report to the city that concluded that the plant was a potential danger. It cited several studies showing that a significant portion of the soot collected in the neighborhood was directly associated with Mirant. Last year, the City Council revoked a 12-year-old ordinance that allowed the plant to operate indefinitely, as well as two special-use permits, making the plant in violation of zoning and giving Mirant seven years to close shop.

circulation

In February, Mirant sued the city to stop the zoning changes. Mirant participated in the pollution study as part of a 2004 settlement agreement relating to alleged ozone violations at the Alexandria plant.

RSS FEEDS

Top News
More

Feed: RSS - News Feed

EMAIL NEWSLETTERS

View a Sample and Sign Up
Today's Headlines &
Comments

Breaking News Alerts

Manage Your Newsletter

The report, based on data collected from 2000 to 2004, looks at worst-case scenarios involving pollution, weather and operational capacity. Researchers found that under certain conditions, levels of sulfur dioxide, nitrogen dioxide and particles in the vicinity of the plant are higher than the national ambient air quality standards allow.

For example, over a 24-hour period, the health-based limit for sulfur dioxide exposure is 365 micrograms per cubic meter. The study says the plant could release more than 5,000 micrograms per cubic meter within a heavily populated half-mile radius.

Johnson said Mirant will consider switching to a different type of coal that potentially has a lower sulfur content or to an injection technology that uses minerals to reduce sulfur output. Officials said

they might also consider increasing the height of their smokestacks to better allow pollutants to dissipate.

"We don't have to shut down if the solution we propose is satisfactory to all the parties involved," Johnson said. "That remains to be seen."

[Print This Article](#)

[E-Mail This Article](#)

[Print Version to Republish](#)

© 2005 The Washington Post Company

Advertising Links

[View All](#)

Save on All Your Calls with Vonage

When looking for local, regional and long distance calling, use Vonage. Transfer calls to all 50 states and Canada. Get vonage mail, grade of service, rates and more. Sign up today. www.vonage.com

MyCashNow - \$100 - \$1,500 Overnight

Payday from Cash goes in your account overnight. Very low fees. Fast disburse. Direct deposit is not required. No credit check. Confidential. Loans. www.mycashnow.com

Refinance Rates Hit Record Low

Get \$100,000 loan for \$726 per month. Refinance while rates are low. www.lowermyrate.com

SEARCH  News  Web



powered by **YAHOO!** SEARCH

[Home](#) [TOPIC INDEX](#) [REPORTS](#) [ARTS & LIVING](#) [Discussions](#) [Photos & Video](#) [Entertainment Guide](#) [CLASSIFIEDS](#)

[Washingtonpost.com](#) [Contact Us](#) [About Us](#) | [Who is Washingtonpost.com](#) | [Advertise](#) | [Media Center](#) | [Site Index](#) | [Site Map](#) | [Alerts](#) | [Group Newsletters](#) | [RSS Feeds](#) | [Wireless Access](#) | [Make Us Your Homepage](#) | [http://tiny.cc/engtopost.com](#)
 The Washington Post: [Homepage](#) | [Subscriber Services](#) | [Advertise](#) | [Electronic Edition](#) | [Photo Photo Store](#) | [The Washington Post Company](#) | [International](#) | [Other PostCo Websites](#)

© Copyright 1996-2005 The Washington Post Company | [Privacy Agreement and Privacy Policy](#) | [Rights and Permissions](#)

News Release

Media contact:

Steve Arabia, (b) (6)
steven.arabia@mirant.com

David Thompson, (b) (6)
dave.thompson@mirant.com

Investor relations contact:

Cameron Bready, (b) (6)
cmbrady@mirant.com

Stockholder inquiries:
(b) (6)



August 22, 2005

Mirant Takes Immediate Action to Address Air Quality Concerns Raised in New Study Of Area Near Potomac River Generating Station

*Plant Operations Have Been Significantly Reduced; Full Shut Down to Occur
Unless Acceptable Interim Operating Plan Can Be Identified by Wednesday*

ALEXANDRIA, VA Mirant Corp. (Pink Sheets: MIRKQ) announced today that it has taken rapid action to address concerns raised by a just-completed environmental computer modeling study of air quality in the vicinity of Mirant's Potomac River generating station.

Mirant said that, as its initial response to the study findings, it has already reduced output of all five units at the plant to their lowest feasible levels.

Mirant said it expects to meet soon with the Virginia Department of Environmental Quality (DEQ) to discuss both short and long-term plans to resolve the newly identified local air quality issues. If no acceptable short-term solutions can be found, Mirant will shut down all five units at the power plant no later than midnight Wednesday, August 24, until a solution can be identified and implemented.

Even taking the new study findings into consideration, the Potomac River generating station remains in compliance with all its operating permits, which set overall limits on the quantity of emissions from the plant, the company said.

The coal-fired power plant, which began operation in 1949, produces 482 megawatts of electricity for Washington D.C. and surrounding communities. It is located in Alexandria, VA. The plant has been identified as a critical component for the reliability of the electric grid in the Washington, D.C. area.

"As soon as we received results of an environmental computer modeling analysis that showed emissions from the Potomac River generating station could be significantly contributing to localized, modeled exceedances of National Ambient Air Quality Standards (NAAQS), we acted quickly," said Curt Morgan, executive vice president and chief operating officer, Mirant.

"However, it's important to understand the nature of the study that has just been completed. The computer model was designed to analyze local air quality levels using a 'worst case' set of assumptions, including the operation of all five units at maximum permitted output with maximum emissions, combined with unfavorable wind conditions. These combined circumstances do not typically occur all at once, so the model works with hypothetical conditions that are not usually seen during normal plant operation," Mr. Morgan said. "Nevertheless, we take these findings extremely seriously, as demonstrated by our actions."

"The decision to curtail and possibly halt power production at the plant involves many complex issues, including important electric system reliability considerations in the Nation's Capital and throughout the Mid-Atlantic region. We are working closely with all affected parties. However, the overriding factor in our decision has been, and will continue to be, protection of public health," said Lisa D. Johnson, president, Mirant's Northeast and Mid-Atlantic business unit.

The plant has been designated by PJM Interconnection, the entity responsible for the reliability of the transmission system from the Mid-Atlantic states as far west as Chicago, as a facility critical to electric system reliability in the Washington, D.C. area. PJM's designation means that removing the Potomac River generating station could result in a strain on the transmission system and potential electrical outages if other key generation and transmission facilities become unavailable during high demand periods.

Because of the advance notice required to be given to the regional electric grid operator and the complex and lengthy physical process to shut down large coal-fired steam boilers, Mirant will continue to operate the plant at a reduced level for a few days.

The company also noted that it will maintain the plant in a state of operational readiness during the period of reduced operations or temporary shutdown of all units.

The new findings arose in a study completed August 19, 2005. It was commissioned under an agreement between Mirant and the Virginia Department of Environmental Quality (DEQ). The computer modeling of five air pollutants from the plant showed that for three types of emissions -- PM₁₀ (particulate matter with an aerodynamic diameter of 10 micrometers or smaller), NO₂ (nitrogen dioxide), and SO₂ (sulfur dioxide) -- the plant's emissions have the potential to contribute to localized, modeled exceedances of NAAQS under some conditions.

The potential localized air quality concerns impact an area within a half-mile radius of the plant. The newly identified air quality impacts are the result of a phenomenon known as "downwash." According to the U.S. Environmental Protection Agency, downwash is defined as "impacts associated with building wake effects. These effects cause the pollutant plume to fall to ground-level quicker." At the Potomac River plant, the unique combination of relatively short emissions stacks at the power plant (165 feet) and the presence of nearby tall buildings -- built well after

the power plant was completed - produce conditions that the newly completed computer model identified as being capable of causing downwash under some wind conditions. Computer modeling of possible downwash effects had never previously been required or conducted at the Potomac River plant.

"Although the exact time frame for the return to full service of the Potomac River power plant cannot currently be determined, we are confident that we can identify solutions, and hopeful we can gain the cooperation of all parties to implement them," Ms. Johnson said.

Mirant said it does not expect to return the plant to full service until appropriate solutions are implemented. However, Mirant may be required to operate the plant to meet mandatory system stability obligations, or if there is a legal obligation to operate the plant at higher output levels than would otherwise be in effect. Mirant also said it will need to operate plant units occasionally at test technological modifications to the plant.

Mirant is a competitive energy company that produces and sells electricity in the United States, the Caribbean and the Philippines. Mirant owns or leases more than 18,000 megawatts of electric generating capacity globally. The company operates an asset management and energy marketing organization from its headquarters in Atlanta. For more information, please visit www.mirant.com.

#

Caution regarding forward-looking statements

Some of the statements included herein involve forward-looking information. Mirant cautions that these statements involve known and unknown risks and that there can be no assurance that such results will occur. There are various important factors that could cause actual results to differ materially from those indicated in the forward-looking statements, such as, but not limited to: (i) the instructions, actions, decisions and orders of the U.S. Bankruptcy Court for the Northern District of Texas, Fort Worth Division in connection with the voluntary petitions for reorganization filed on July 14, 2003, July 15, 2003, August 18, 2003, October 3, 2003 and November 18, 2003, by Mirant Corporation and substantially all of its wholly-owned and certain non-wholly-owned U.S. subsidiaries under Chapter 11 (Chapter 11') of the United States Bankruptcy Code; (ii) the duration of Mirant's Chapter 11 proceedings and the effects of the Chapter 11 proceedings on Mirant's liquidity; (iii) changes in, or changes in the application of, environmental and other laws and regulations to which Mirant and its subsidiaries and affiliates are subject; (iv) the performance of Mirant's assets and projects; (v) potential business strategies, including acquisitions or dispositions of assets that Mirant may pursue; (vi) weather and other natural phenomenon; (vii) timely completion of permitting requirements and regulatory approvals; (viii) Mirant's inability to complete required modifications to the Potomac River facility or its operations to address the downwash issue; (ix) actions and claims of third parties (including regulators) in response to Mirant's plans to address the downwash issue and (x) other factors discussed in Mirant's Annual Report on Form 10-K for the year ended December 31, 2004 or Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 filed with the Securities and Exchange Commission ("SEC"), in Mirant Americas Generation, LLC's Annual Report on Form 10-K for the year ended December 31, 2004 or Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 filed with the SEC, or in Mirant Mid-Atlantic.

LLC's Annual Report on Form 10-K for the year ended December 31, 2004 or Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 filed with the SEC.



Craig A. Glazer

Vice President - Governmental Policy
PJM Washington Office
(202) 393-7756 FAX (202) 393-7767
e-mail: glazer@pjm.com

Via Electronic Mail

April 12, 2004

Director
Office of Air Regulators Development
Department of Environmental Quality
639 East Main Street
P.O. Box 10069
Richmond, Virginia 23266

Re: Potomac River Generating Plant

Dear Director:

PJM Interconnection L.L.C. ("PJM") is the Regional Transmission Organization responsible for the maintenance of electric reliability in the service territory of Potomac Electric Power Company (PEPCO). The Potomac River Generating Plant which serves western Washington, D.C. is within the PJM Control Area. We are writing in response to your request for formal written comments concerning a proposed amendment to the state operating permit for the Mirant Mid-Atlantic Potomac River Station located in the City of Alexandria, Virginia. This letter is similar to one we previously submitted to Mirant on April 7 in response to their request and is a supplement to our letter of March 2, 2004 to Jack Weiselt, a copy of which is attached for submission in the record.

This letter does not address the impact that any set of emissions standards might have on the availability or operations of the Potomac River power plant. Rather, PJM has taken as its assumption the representation made by Mirant of a limit in production by as much as 5.0-6.0% from historical levels. PJM Interconnection LLC ("PJM") has reviewed the requirement for this plant strictly from a reliability perspective in order to determine what is required to maintain suitable reliability in the region. PJM's reliability standards are governed by Mid-Atlantic Area Council ("MAAC") criteria. MAAC criteria states that the system must be planned to sustain the loss of one transmission element with any other transmission system element out of service (an N-2 contingency) under peak load conditions. As explained below, PJM expects that a minimum of three Potomac River units must be running at all times during moderate load periods (moderate load period is approximately between October and June) and all five units must be running during the summer peak load time period (approximately June through September) in order to ensure reliability.

As discussed in Denise Foster's letter to the Virginia DFO dated March 2, 2004, recent analysis has confirmed that a minimum of one Potomac River unit must be available at peak load conditions to eliminate any reliability concerns. One unit is sufficient at both of the two Palmyra Corner 230 kV circuits are in service. In the event

an outage of either Palmdale Corner-Blue Plains 230 kV circuit sufficient generation must be available to balance the load in the area for the loss of the other 230 kV circuit. While the exact MWs of generation required depend on the load existing at the time of the outage, review of the historical area data indicates that under all circumstances between three and five Potomac River generators would be required to maintain reliability when either or the Palmdale Corner 230 kV circuit are out of service. For example, in the event one of the lines to the Potomac River plant is out of service due to maintenance, the system must be adjusted in order to be prepared to lose the next line a week.

Peak load for the summer in this region occurs between June 15 and September 15. During this period, PJM anticipates that all units would be required to be available in order to ensure reliability, as described above. The requirement "available to run" means the units must be made available within four hours to an unplanned trip of one of the 230 kV transmission lines serving the Potomac River plant. The start up data that has been provided to PJM by Mirant shows that the Potomac River plants require a minimum of 43 to 83 hours notice to start from the cold state.

During summer peak conditions, all five of the Potomac River units should be required to remain available within a four hour period, or remain "hot." PJM further anticipates that under typical non-peak conditions, two or three of the units would be required to remain hot for seven days a week. All five units would be required to remain hot and available to run from Tuesday through Friday each week, in order to accommodate days of the week when the load has historically reached its highest level. Theoretically, and depending on load, certain units could be shut down for the weekend with prior approval from PJM.

In summary, if Mirant intends to run the units with production decreased by 50-60%, this situation may cause the transmission system to be not compliant with PJM's reliability standards, and PJM would request permission to have these plants available for reliability purposes.

PJM has had limited time to analyze all of the facts and consider alternatives that would address the DEQ's environmental concerns while also ensuring the continued reliability of electric power supply in greater Washington. We would welcome the opportunity to work with you and the Department in order to explore the facts further and determine a resolution that meets our respective public policy goals. Please contact the undersigned or Ms. Denise Foster of PJM should you wish to discuss this issue further.

Sincerely,

Craig Glazer
Vice President—Government Policy
PJM Interconnection, L.L.C.
202-393-7256
CG.GLAZ@PJM.COM

1023-E-160

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, N.W., SUITE 200, WEST TOWER
WASHINGTON, DC 20005

ORDER

August 23, 2005

FORMAL CASE NO. 1023 IN THE MATTER OF THE INVESTIGATION
INTO THE EFFECT OF THE BANKRUPTCY OF MIRANT CORPORATION
ON THE RETAIL ELECTRIC SERVICE IN THE DISTRICT OF COLUMBIA,
Order No. 13748

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") directs the Potomac Electric Power Company ("Pepco") to review the attached Mirant Corporation ("Mirant") August 22, 2005 Press Release and advise the Commission, in writing, of the extent to which Mirant's actions may negatively impact the local system and District of Columbia consumers.

II. BACKGROUND

2. On August 22, 2005, Mirant issued a Press Release announcing that it had taken immediate action to reduced to the lowest feasible levels the output of all five of the units at the generation station and that it would potentially close down the station until an acceptable solution to the local air quality issues are identified and implemented. Mirant maintains that it remains in compliance with the overall limits set on the quantity of emissions from the plant.

3. The press release noted that PJM interconnection has designated the generation station as the entity responsible for the reliability of the transmission system for the Mid-Atlantic States and as critical to electric system reliability in the District of Columbia. The press release goes on to state that removal of the generation station could cause a strain on the transmission system and also electrical outages if other key generation and transmission facilities become unavailable during high demand periods.

III. DISCUSSION

4. The Commission is aware that Mirant is faced with a number of issues concerning the continued operation of the Potomac River Generating Station. However, the Commission's primary concern is system reliability in the District of Columbia. To that end, Pepco must provide an immediate assessment to the Commission regarding the impact Mirant's actions might have on the District of Columbia electrical system and

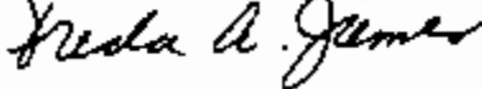
District of Columbia consumers. In its submission, Pepco must include its plan for dealing with the potential impact(s) of the shutdown of the Potomac River Generation Station, if it occurs. Additionally, Pepco is to provide to the Commission any other information pertaining to this matter received from PJM, Migrant, or any other source.

THEREFORE, IT IS ORDERED THAT:

5. Pepco is to file a response in accordance with paragraph four (4) of this Order in no later than five (5) days.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:



CHIEF CLERK

FREDA A. JAMES
ACTING COMMISSION SECRETARY

014555

**VanNess
Feldman**
ATTORNEYS AT LAW

A PROFESSIONAL CORPORATION
1050 Thomas Jefferson Street N.W.
Washington, D.C. 20007 3877
(202) 298 1800 Telephone
(202) 338 2416 Facsimile

Seattle, Washington
(206) 623-9372

David P. Yaffe
(202) 298-1840

August 14, 2002

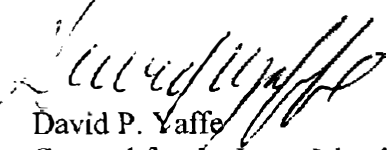
The Honorable Spencer Abraham, Secretary
United States Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Re: Request for Order Pursuant to Section 202(c) of the Federal Power Act

Dear Secretary Abraham:

We are hereby providing you, on behalf of the Long Island Power Authority, with a faxed copy of a letter requesting an Order pursuant to Section 202(c) of the Federal Power Act. The original signed letter will be delivered on August 15, 2002.

Very truly yours,


David P. Yaffe
Counsel for the Long Island
Power Authority

DPY:dds
Enclosure



333 Earle Ovington Boulevard
Suite 403
Uniondale, NY 11553
(516) 222-7700 Fax (516) 222-9137
<http://www.lipower.org>

August 14, 2002

The Honorable Spencer Abraham, Secretary
United States Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

RE: Request for Order Pursuant to Section 202(c) of the Federal Power Act

Dear Secretary Abraham:

On behalf of the Long Island Power Authority ("LIPA"), I am hereby notifying you of an imminent emergency, as described below, and requesting you to invoke your authority under Section 202(c) of the Federal Power Act and the regulations at 10 C.F.R. §§205.370 – 205.379, and issue an order requiring the Cross Sound Cable Company, LLC ("CSC LLC") to transmit electric capacity and energy to Long Island over the newly constructed, but not yet operating, Cross Sound Cable under the emergency conditions described below. Specifically, LIPA requests that such an order require CSC LLC, for the remainder of August and all of September, 2002, to operate the CSC and accept schedules for transmission from LIPA on a day ahead basis when LIPA forecasts that its generation reserve margin on Long Island will be less than 600 MW in excess of its anticipated load for that day. The 600 MW margin, which is still less than the statewide required planning reserve of 18% of forecast load, is equal to the capacity of one of the existing transmission cables between Long Island and mainland New York. The CSC, which has been improperly prevented from operating, may mean the difference between continued service and blackouts on Long Island, and in Southwestern Connecticut.

A. Growth in Summer Electric Peak Usage in Southeastern New York Combined with Connecticut's Baseless Ban On Operation of the Cross Sound Cable Presents the Specter of an Emergency

The Summer of 2002 has been particularly warm for sustained periods in Southeastern New York. This sustained warmth has created demands for service exceeding the load projected for the period. Those demands, in turn, have reduced the operating reserve margin, *i.e.*, generation capacity held in reserve, that protects LIPA's customers against unexpected outages of generation or transmission. During this past month, LIPA experienced record electric energy consumption, a 21% increase in the amount of energy delivered, as compared with last July. LIPA also experienced new records in overall peak demand (5059 MW), duration of peak demands exceeding 4000 MW and other records of energy consumption. The attached press release, dated August

8, 2002 (Attachment 1), summarizes the peak performance in July. LIPA's reserve capacity during the three peaks experienced in July was less than 5% in excess of load (or 255 MW on a peak of approximately 5000 MW) despite the fact that LIPA added 407 MW of new peak generating capacity during this year alone due to a major crash effort. LIPA experienced these peaks despite the fact that it shed approximately 150 MW of interruptible load pursuant to its established demand-side management programs. By contrast, the statewide planning reserve margin established by the New York Independent System Operator, Inc. ("NYISO") for this year was 18%. LIPA entered the year in conformance with that planning requirement, but its load exceeded expectations.

LIPA was faced with a serious operational challenge early in the summer when one of its principal electric transmission cable ties to the New York mainland, the 600 MW, Y-50 cable from Consolidated Edison's Dunwoodie substation to LIPA's Shore Road substation, had an unexpected outage. That cable was returned to service early in July, 2002, although it is being operated on a restricted basis due to concerns about its reliability. (LIPA's other principal interconnection to the New York mainland, the 600 MW, Y-49 cable owned by the New York Power Authority extending from Consolidated Edison's Sprainbrook substation to LIPA's Garden City substation, also was out of service for several weeks in June and has returned to service.) Fortunately, LIPA did not experience an unexpected outage of a major generating station or transmission facility on Long Island during that peak month of July, although concerns about the reliability of the Y-50 and Y-49 cables continued.

Electricity consumption has grown substantially on Long Island despite LIPA's aggressive efforts to promote conservation and the installation of new energy efficient appliances, production methods and other products to replace or augment existing products and methods. At the same time, LIPA is among the leaders among the load serving utilities in New York State in signing up customer electric load that can be interrupted at electric peak to provide demand response.

LIPA had planned and contracted for the Cross Sound Cable ("CSC") to meet the projected summer load that has now been overtaken by record demand. The CSC is a high voltage, direct current line connecting substations in New Haven, Connecticut with Shoreham, Long Island with a transfer capability of up to 330 MW. In August, 2000, LIPA entered into a 20 year contract with Cross Sound Cable Company, LLC, a subsidiary of Hydro-Quebec, a Canadian Crown corporation, to construct the CSC and put it in operation by May 1, 2002. It was to be the first merchant transmission facility in the United States and has been approved by the Federal Energy Regulatory Commission ("FERC"). LIPA had counted on the availability of the CSC among its key power supply resources to meet the expected growth in electric demand this summer. Through the CSC, LIPA anticipated purchasing the output from among the new large and efficient generating facilities that have come on line in New England. Conversely, LIPA assumed that the CSC would be available as well to meet electric demand needs in the transmission constrained area of Southwest Connecticut around New Haven.

LIPA's power resource plan for 2002 depended on the availability of the CSC, and that line is now indispensable in light of this summer's extraordinary demands. In 2002, LIPA constructed upgrades and reinforcements to its transmission system to accommodate the output of the CSC. In 2002, LIPA also contracted for the construction of ten new simple cycle turbines with a combined capacity of 407 MW. All of those units are in service. In addition, and partially as a response to the Y-50 cable outage, LIPA also contracted for and installed 200 MW of temporary mobile generators for the 2002 summer season only. During the July 2002 summer peak, all generation and transmission resources available to LIPA performed reliably. Given the likelihood of similar heat spells during the remainder of August and into September, and the diminished reserve margin faced by LIPA at those times, loss of any major generating unit or transmission line during a peak period may render LIPA unable to meet its customers' needs and require it to begin cutting off customers, i.e., shed load. Since the CSC has been tested and is physically available, such load shedding can be avoided with the intercession of the Department of Energy to override the otherwise groundless restrictions imposed by Connecticut authorities, as described below.

The CSC also would benefit severely transmission constrained southwest Connecticut. In an April 24, 2002 press release, ISO New England stated that "while Connecticut's overall capacity situation would ordinarily be adequate to meet summer peak demand, the inadequate transmission system serving southwest Connecticut could create critical power supply reliability problems for the area's 51 cities and towns." ISO New England's chief operating officer, while reciting a story about a transmission loss in southwest Connecticut during August, 2001, under less than severe conditions, stated that "only an emergency dispatch of electricity from Long Island over an existing cross-Sound cable prevented blackouts in southwest Connecticut." If the CSC was available, a portion of the power transmitted into Long Island over the CSC in excess of Long Island's energy requirements at that time could be wheeled across Long Island and over the existing LIPA - Northeast Utilities cable into southwest Connecticut.

B. Operation of the CSC Will Not Interfere With Either the Environment or Navigation

The CSC is not available today to meet needs on either Long Island or in southwestern Connecticut because of the improper interference of Connecticut authorities. Early in 2001, the Connecticut Siting Council rejected CSC LLC's original construction permit application. CSC LLC submitted revised permit applications to the Siting Council, the U.S. Army Corps of Engineers ("USCOE") and the Connecticut Department of Environmental Protection ("DEP"). CSC LLC received all relevant permits from Connecticut and New York authorities and the USCOE by mid-March, 2002. It laid the cable across Long Island Sound between the New Haven and Shoreham terminals during May. Commercial testing of the unit began on August 5 and, were it not for the renewed interference of Connecticut authorities, it would have been declared commercial.

At the end of May, 2002, it was discovered that in seven isolated spots in New Haven Harbor, the CSC had hit rock or other obstructions and was not buried to the 48 feet below mean low water depth specified in the Connecticut Department of Environmental Protection ("DEP") and USCOE permits. In each case, the CSC was less than five feet off the mark. During the first week in June, the USCOE announced, on the basis of consultation with the DEP and the National Marine Fisheries Service, that these seven variances from the depth requirements would not cause either environmental harm or interference with navigation. The DEP and USCOE construction and environmental permits allow CSC LLC to meet all requirements within three years and do not prohibit operation of the CSC until all conditions are met. CSC LLC should have been able to operate the CSC this summer and take it out of service during the off-peak periods to make the few corrections required.

In late July, CSC LLC informed the DEP that it would test the CSC on August 5 and begin operation shortly thereafter. CSC LLC also stated that operation of the CSC would not have a negative environmental effect or adversely affect navigation. In a letter to CSC LLC dated July 22, 2002, the Assistant Commissioner of the DEP admitted that the DEP did not have jurisdiction over the CSC's operation but nevertheless requested CSC LLC to demonstrate that operation of the CSC would not have adverse effects on shellfish in the area, create electromagnetic fields or interfere with navigation. On July 24, 2002, CSC LLC provided convincing proof on all points and reasserted its rights to operate the CSC under its existing permits. Notwithstanding this fact, on August 1, 2002, the Connecticut Attorney General and the Commissioner of Environmental Protection filed an action in a Connecticut State Court to "enforce the permit" and requested injunctive relief that would prohibit operation of the CSC until all of the variances from the depth requirements have been remedied.

Notwithstanding its right to operate the CSC under its permits, CSC LLC announced on August 1, 2002 that it would not operate the CSC, other than for testing, until it had remedied all of the depth variances. On August 2, 2002, CSC LLC entered an agreement with the Connecticut Attorney General and the DEP into the record in Connecticut State Court to that effect. Since CSC LLC's permits only allow it to disturb the seabed in New Haven Harbor between October 1 and January 15, and again between April 1 and May 31 in order to avoid disturbing the spawning activities of the shellfish and flounder, CSC LLC has voluntarily made the CSC unavailable for scheduling to meet electric peak emergencies during the remaining summer months.

C. Requested Order

The continued high levels of electric energy usage during the sustained heat spells this summer have exceeded LIPA's projections and threatened the continued reliability of electric service on Long Island. Reserve generating margins on Long Island have diminished beyond reasonable expectations. Although LIPA has acted forcefully to encourage conservation and to add capacity to meet its growing demand, it is possible that an outage of a major generation or transmission facility during the next heat wave

may lead to widespread outages. Such conditions meet the definition of "emergency" under the DOE Regulations at 10 C.F.R. §205.371.

Notably, the CSC has been tested and works and otherwise would be available to meet LIPA's needs. The availability of the CSC to LIPA for importing energy from New England during peak load conditions will provide sufficient margin for LIPA to withstand a major equipment outage at peak without losing load.

During the NYISO's daily phone call of August 13 (yesterday) among electric system operators, the NYISO notified the New York system operators that the 600 MW Y-50 cable was again under repair. Both LIPA and Consolidated Edison rely on the Y-50 cable to provide service to their transmission constrained loads. The notification was intended as an alert to both companies that the cable might be subject to unexpected outage during a heat wave as had happened earlier in the summer. The NYISO inquired whether the CSC could be ready for operation today. LIPA unfortunately could not provide that assurance because of the Connecticut restrictions explained above.

LIPA therefore requests the Secretary of Energy to issue an order, pursuant to Section 202(c) of the Federal Power Act, requiring CSC LLC, during the remainder of August and all of September, 2002, to operate the CSC and accept schedules for transmission from LIPA on a day ahead basis when LIPA predicts that its generation reserve margin on Long Island will be less than 600 MW in excess of its anticipated load for that day. The 600 MW is approximately 11% of LIPA's peak load; thus still below the statewide 18% planning reserve margin. The conditions in the requested order, therefore, are the minimum that LIPA requires in order to assure reliable service to its customers. The authority conferred on the Secretary by Section 202(c) of the Federal Power Act preempts state permit processes that would otherwise frustrate the statute's purpose to alleviate power shortages like those now threatened in southeastern New York.

D. Requirements Satisfying 10 C.F.R. §205.373

- (a) The applicant is the Long Island Lighting Company, d/b/a LIPA. The order would be issued to Cross Sound Cable Company, LLC, the lessee and operator of the CSC.
- (b) Correspondence with respect to this application should be directed to:

Richard M. Kessel
Chairman and CEO
Long Island Power Authority
333 Earle Ovington Boulevard
Suite 403
Uniondale, New York 11553

Telephone: 516/222-7700

- (c) LIPA operates in Nassau and Suffolk Counties and the Rockaways portion of Queens County, New York. Nassau and Suffolk Counties are on Long Island; the Rockaways portion of Queens is in New York City.
- (d) (1) Daily peak load and energy requirements for each of the past 30 days: See Attachments 2 and 3 for the month of July, 2002. LIPA expects the load profiles for August and September to resemble the loads for July set forth in Attachments 2 and 3.
- (2) All capacity and energy receipts or deliveries to other electric utilities for each of the past 30 days: LIPA is a member of, and participant in the market administered by, the New York Independent System Operator, Inc. ("NYISO"). As a result, LIPA technically bids all of its electric capacity into, and purchases almost all of its electric energy requirements from, the NYISO on a daily basis. LIPA has not contracted to sell capacity to third parties on a long term basis.
- (3) The status of all interruptible customers for each of the past 30 days, and anticipated status of these customers during the next 30 days, etc: LIPA has approximately 192 MW of load that is under contract to be interrupted under both NYISO-wide and LIPA-sponsored peak load reduction programs. On two of the three peak days in July, approximately 150 MW of that load was actually interrupted. Since the third peak occurred on a Monday, there was insufficient time to notify the customers.
- (4) All scheduled capacity and energy receipts or deliveries to other electric utilities, etc. See answer to item (d)(2)
- (e) - (j) Long Island is a transmission constrained area by virtue of its geography and electrical configuration. Currently, its only electrical connection to the mainland to import energy is through an existing unreliable cable between Northport, New York and Norwalk, Connecticut, and two cables connecting LIPA's service area with Consolidated Edison's service area. As a result, the NYISO has imposed a local installed capacity requirement on LIPA that requires LIPA to obtain 93% of its peak load requirements and 18% reserve margin from on-island generation resources. LIPA operates its system within these limits to avoid or mitigate any emergencies.
- (k) To the best of LIPA's knowledge, the emergency order requested herein will not unreasonably impair the reliability of any "entity" directly affected by the order. CSC LLC's only corporate purpose is to construct

and operate the CSC. All of the CSC's transmission capacity has been dedicated to LIPA for a twenty year term at the prices outlined in their Firm Transmission Capacity Purchase Agreement, dated August 2, 2000.

- (1) As noted above, the requested emergency service is to be transferred using the HVDC Cross Sound Cable between terminals at New Haven, Connecticut to Shorcham, New York. The thermal capacity of the cable is approximately 330 MW.

In view of the emergency conditions it faces, LIPA requests the Department of Energy to take action on this application by Thursday, August 15. Please do not hesitate to contact me.

Sincerely,

LONG ISLAND POWER AUTHORITY



Richard M. Kessel

Chairman and Chief Executive Officer

Attachments

cc: Cross Sound Cable Company, LLC
Honorable Patrick Wood, Chairman, FERC
Honorable George Pataki, Governor, State of New York
Honorable John Rowland, Governor, State of Connecticut
Honorable Charles Schumer
Honorable Hillary Rodham Clinton
Cynthia Marlette, Esq., General Counsel, FERC
Edward Schwendt, Executive Director, Northeast Power Coordinating Council

Attachment 1

FOR IMMEDIATE RELEASE
August 8, 2002

Contact:
Media Relations: (516) 719-9892
Media Pager: (516) 657-2993

LIPA Sets New Record For Electricity Delivered in July

Nearly 2.4 Million Megawatt Hours of Power Consumed in One Month

**Enough to Power Garland Texas for One Year
& About One-Third The Amount Con Edison Supplied to New York City Last Month**

Uniondale, NY – August 8, 2002 – The Long Island Power Authority (LIPA) today announced that the Authority not only set a new summer peak hour demand record on July 29th, when 5059 megawatts (MW) of electricity were delivered to customers, but a new record was set for the entire month when 2,357,253 Megawatt hours (MWHr) were delivered to the Long Island Control Area (LICA).

The new July record is 21% higher, 411,777 MWHrs, than last July's total of 1,945,476 MWHrs of electricity delivered by LIPA to the LICA. Additionally, during the month of July, the demand for electricity exceeded the 4000MW mark for a total of 133 hours during the month, or 17% of the total hours in the month. LIPA's peak demand level has already risen by 153MW from last year and the summer is not yet over. The previous peak increase had been approximately 100MW.

LIPA Chairman Richard M. Kessel said that as a result of July's record power use, the potential for installing additional generation to Long Island's on-island resources in time for the 2003 summer season is already being explored, when demand is expected to continue to increase at a rapid pace.

"Long Island's electricity continues to soar at unprecedented rates of growth," said Mr. Kessel. "A twenty-one percent jump in consumption for the month of July year to year is extraordinary. Long Island's appetite for electricity seems to be insatiable.

"When it's hot and humid, it's difficult to get people to conserve," said Mr. Kessel. "In today's modern society, we live in an air-conditioned environment almost all day long. So when folks get home, they want to be as comfortable as they are at work or in their car. Without much hesitation, the AC gets turned on full blast."

Air-conditioning can account for as much as one-third of the electricity consumed during the summer. So of the nearly 2.4 million Megawatt hours of electricity consumed during July, about three quarters of a million megawatts, or 777,894, were consumed by air conditioning alone. That's enough electricity to supply the City of Lubbock, Texas, with about 58,000 customers, for one year. LIPA's July demand is enough to supply the City of Garland, Texas, with 66,000 customers, for one year.

Con Edison recently announced that it delivered a record 6,192,161 Megawatt hours of electricity to nearly 9 million residents in New York City and Westchester during the month of July. The amount of electricity delivered by LIPA in July to its nearly 2.7 million residents, 2,357,253 megawatt hours, is about one-third the amount delivered by Con Edison.

"Long Island needs more on-island resources to ensure an adequate, reliable supply of electricity to Long Island," said Mr. Kessel. "We can't depend on outside help. We need to make sure that Long Island has enough on-island resources to meet the growing demand for sustained amounts of ever-rising demand.

During July, LIPA's electricity delivery accomplished the following:

- Set a new peak hour demand of 5059 megawatts on July 29th;
- Set a new monthly record of 2,357,253 Megawatt hours;

- Exceeded the 4000MW per hour level for a total of 133 hours;
- Exceeded the 4000MW per hour level on 16 days, or for 51% of the month;
- Exceeded 4000MW per hour for nine straight hours or more on eight days;
- Exceeded 4000MW per hour for 12 straight hours or more on four days;
- Exceeded 4000MW per hour for 12 straight hours or more on back to back days twice during the month, which means that on two occasions during July, during a 48-hour period LIPA delivered 4000MW or more to the LICA for 24 hours or more -- or 50% of the 48-hour period.

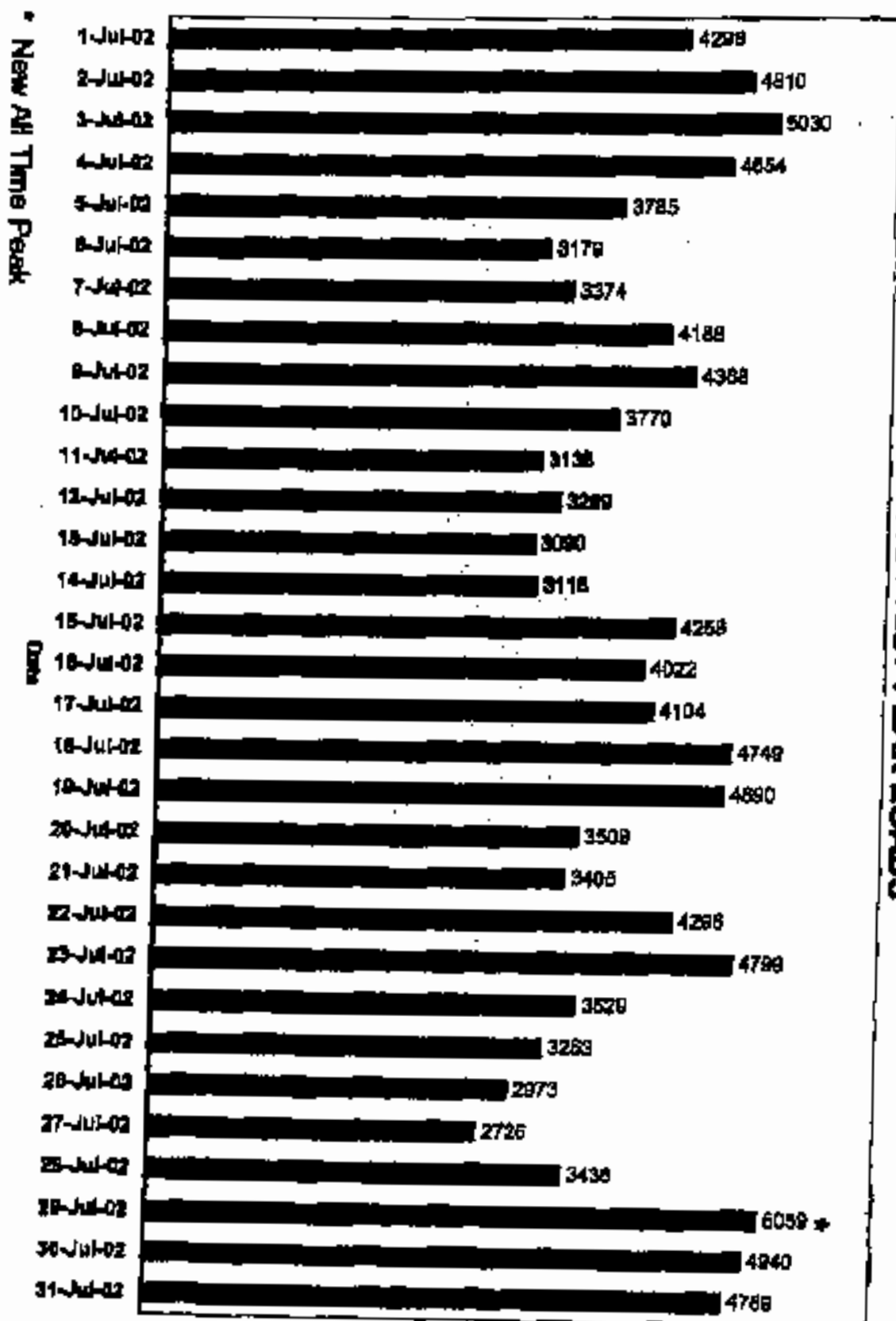
"What was recently an extraordinary event -- exceeding 4000MW per hour -- has become ordinary," said Mr. Kessel. "Now, exceeding 5000MW per hour is the extraordinary benchmark. At our current rate of growth, we will exceed 5000MW per hour on a routine basis next year."

LIPA owns the retail electric system on Long Island, and provides electric service to nearly 1.1 million customers in Nassau and Suffolk counties, and the Rockaway Peninsula in Queens. LIPA does not provide gas service.

-30-

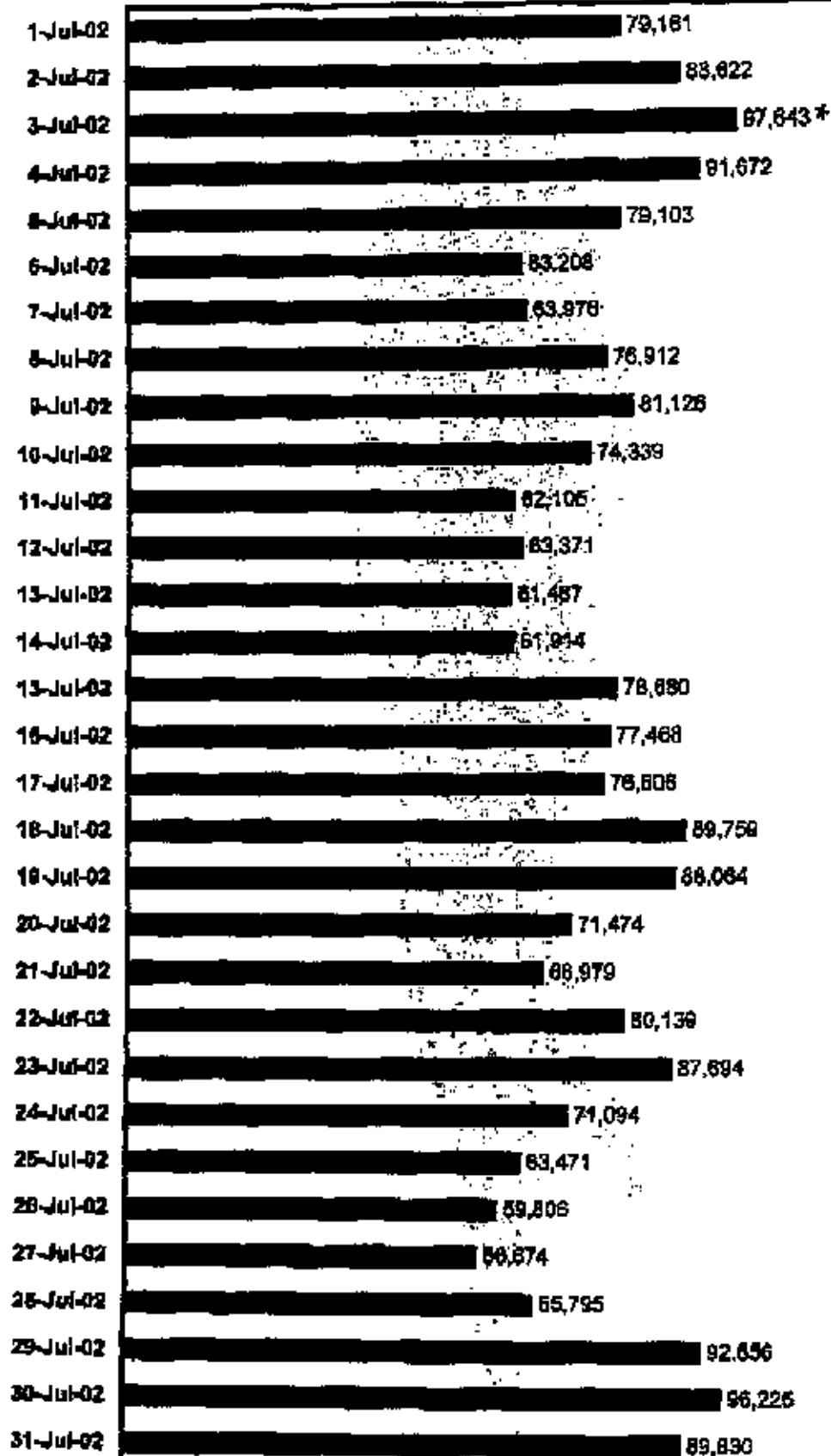
[Return to Press Releases](#)

LI Control Area Daily Peak (MW)



* New All Time Record

LI Control Area Daily Energy (MWH)



JULY 2002 Long Island Control Area 24 Hour Energy Requirements

Attachment 3

OFFICE OF THE MAYOR

165 CHURCH STREET • NEW HAVEN • CONNECTICUT 06510



JOHN DeSTEFANO, JR.
Mayor



*The vision of New Haven's children
is our city's greatest resource.**

August 21, 2003

Secretary Spencer Abraham
Department of Energy
1000 Independence Avenue S.W.
Washington, DC 20585

RE: Order No. 202-03-1

Dear Mr. Secretary:

As Mayor of New Haven, I am requesting that you terminate your most recent Order No. 202-03-1 regarding the emergency activation of the yet-unfinished submarine electric transmission cable owned by Cross-Sound Cable Company, LLC ("Cross-Sound").

The power emergency that was used to justify transmission of electricity through the cable from New Haven to Long Island is over. There is no compelling public reason for allowing continued operation in violation of permit conditions established by the State of Connecticut Department of Environmental Protection-Office of Long Island Sound Programs ("DEP-OLISP") and the Army Corps of Engineers. The permits issued by those agencies are specific in their requirements that the cable be buried to -48' MLLW within the navigation channel in New Haven Harbor. The requirement for deeper burial was expressly established to address the City's concerns regarding the impact of this unprecedented project on the future of New Haven Harbor. Cross-Sound agreed to bury the cable to a level that would not interfere with future deepening of the navigation channel, because that was the only way the Army Corps and DEP-OLISP would approve its installation through that sensitive area.

As of this date, Cross-Sound has not been able to bury the cable to sufficient depth in at least seven separate areas within the navigation channel. Worse, it has not even been able to formulate a satisfactory plan for accomplishing proper burial depth in the near future. Neither the Army Corps nor the DEP-OLISP has agreed to modify the terms of their permits, and the conditions remain unsatisfied. Cross-Sound is under a court order not to operate the cable until the environmental and navigational issues imposed by the state and federal permits have been met.



phone 203.946.8200 fax 203.946.7683

**This creative impression is the work of Alicia Martinian, a student at Nathan Hale School.*

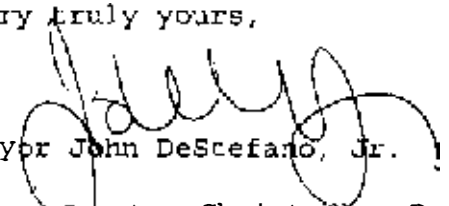
While energy issues are of national concern, so too, is the continued viability of New Haven Harbor and the Port of New Haven. The Port and the Harbor generate significant benefits to the City and the State in the form of jobs, revenue, and taxes. Any interruptions or constraints on shipping activity in the navigation channel or the Harbor would have an adverse effect on the local and regional economy.

The debate is now moot as to whether temporary use of the cable to assist LIPA in restoring power to its customers was reasonable or necessary. Moreover, continuing the Order in present circumstances amounts to a troubling and improper delegation of federal emergency authority to the two private ISOs, neither of whom is responsible to the Army Corps or the State of Connecticut's DEP. The continuing nature of the Emergency Order is also in violation of the Federal Power Act, which does not allow one state to force an uncompleted transmission line into operation in another state. That Act is limited to properly-licensed facilities obviously not the case here.

It also appears that LIPA is using the black-out to improperly lobby for permanent use of the cable. Under the terms of LIPA's contract with Cross Sound, LIPA has the right to purchase all of the power that can be transmitted through the cable, for the next 20 years (renewable for another twenty.) This circumstance makes a mockery of any argument that premature activation of the cable furthers transmission between the regions. Quotes attributed to LIPA president Richard Kessel further illuminate the level of self-dealing. Published reports quote Mr. Kessel as exuberantly yelling out "screw Connecticut" at the moment the first 100 m.w. of current passed through the cable on August 15th. (See Newsday article "LIPA Struggles to Restore Power," August 15, 2003.)

Allowing this unfinished cable project to operate at the discretion of the ISOs tells Americans that energy decisions are based on clout, and not on laws. It is a slap at Connecticut's courts and agencies, and trashes the navigation safeguards that were built into the conditional permits issued by the regulatory authorities. Please act promptly to terminate the Emergency Order.

Very truly yours,



Mayor John DeStefano, Jr.

cc: Senator Christopher Dodd
Senator Joseph Lieberman
Congresswoman Rosa DeLauro



STATE OF NEW YORK

August 21, 2003

GEORGE E. PATAKI
GOVERNOR

Re: Continuation of DOE Order No. 202-03-1 for Operation of the Cross Sound Cable

Dear Secretary Abraham:

On behalf of the residents and businesses of Long Island and the Long Island Power Authority ("LIPA"), I am writing to thank you for your immediate response to my request for an emergency order to allow us to utilize the Cross Sound Cable to support Long Island's power needs during the recent crisis. I am also writing to request that you extend the emergency order requiring continued energization and operation of the Cross Sound Cable between Shoreham, Long Island, New York and New Haven, Connecticut. DOE Order No. 202-03-1 requiring such energization and operation was issued several hours after the Northeast blackout that darkened large portions of New York and Long Island. Your order enabled substantial amounts of electric energy to flow from New England to Long Island on August 15th, August 16th, and August 17th and assisted in the restoration of full electric service to Long Island.

I am requesting that you extend the order requiring the Cross Sound Cable to be available for transfer of energy between Long Island and Connecticut. Since, there is no conclusion as to the reasons for the outage, the conditions that threaten the continuation of service cannot have been eliminated and are unlikely to be removed for the foreseeable future. In the event of another disturbance such as occurred last week, the Cross Sound Cable would be essential in stabilizing the grids in both New York and Connecticut.

The causes of both last week's blackout and, perhaps more importantly, the reason why the reliability rules in place did not limit the disruption to the area of disturbance are now under investigation. Given that the cause of the blackout did not originate in New York, the fact that the automatic protection feature mandated by the NERC and NPCC did not operate to prevent the outage from bringing down New York State's electric grid is both extremely disturbing and cause for taking all necessary precautions. Among the most important of those precautions has to be preserving the operability of a key link in the grid connecting New York and neighboring systems, the Cross Sound Cable, a virtually new and reliable transmission facility.

I am advised that continued operation of the Cross Sound Cable will have no adverse environmental impact on Long Island Sound or any surrounding area. CSC LLC received all relevant permits from Connecticut and New York authorities and the U.S. Army Corps of Engineers ("USCOE") by mid-March 2002. It laid the cable across Long Island Sound between the New Haven and Shoreham terminals during May 2002. At the end of May, 2002, it was discovered that in seven isolated spots in New Haven Harbor, the CSC had hit rock or other obstructions and was not buried to the 48 feet below mean low water depth specified in the Connecticut Department of Environmental Protection ("DEP") and USCOE permits. In each case, the CSC was less than five feet off the mark.

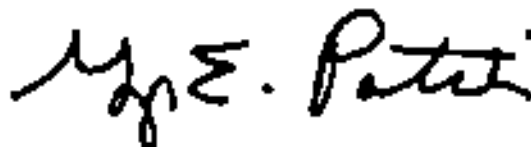
CSC LLC requested the DEP to amend the existing permit to allow the CSC to operate pending correction of the depth problems. The DEP responded that despite the fact that operation of the CSC may not cause any environmental harm, DEP was precluded from acting upon CSC LLC's request. In a January 6, 2003 letter to CSC LLC, the DEP stated, "While we may not have any environmental concerns with the operation of the

EXECUTIVE CHAMBER STATE CAPITOL ALBANY 12224
<http://www.state.ny.us>

cable in its current condition, we do have significant procedural concerns." In addition, by letter dated December 30, 2002, from the Army Corps of Engineers to CSC LLC, the USCOE stated that, "the Corp of Engineers, in consultation with the National Marine Fisheries Service has determined that there will be no undue short-term environmental harm or interference with navigation with the cable in its present location until full burial depth can be achieved. Since you are working in good faith to reach the required burial depth, the Corps of Engineers has no objections to you operating the cable at this time." We respectfully suggest that if any party has any evidence that continued operation of the Cross Sound Cable would harm the environment, they should come forward.

In conclusion, I urge the Department of Energy to recognize that the conditions described above present the basis for concluding that emergency conditions exist now and will continue to exist for the foreseeable future. Therefore, continued operation of the Cross Sound Cable is essential to prevent an imminent emergency and I request you to invoke your authority under Section 202(e) of the Federal Power Act and the regulations to 10 C.F.R. §§205.370-205.379, to issue a supplementary order to Order No. 202-03-1 to extend the authority for operation of the Cross Sound Cable.

Very truly yours,



The Honorable Spencer Abraham, Secretary
United States Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585



FACSIMILE TRANSMISSION COVERSHEET
STATE OF NEW YORK
EXECUTIVE CHAMBER
OFFICE OF THE SECRETARY TO THE GOVERNOR
Room 229
(518) 474-3522 / Fax (518) 473-9932

TO: Joe McMonigle

FROM: Bill Howard

DATE: August 21, 2003

PAGES: 3 (Including Cover sheet)

Remarks: Secretary Abraham letter

If you have any questions or require further information please contact me at the above phone number. Thank you.

This facsimile contains CONFIDENTIAL INFORMATION that is intended only for the use of the addressee(s) named above. If you are not the intended recipient of this facsimile or the employee or agent responsible for the delivering it to the intended recipient, you are hereby notified that any dissemination or copying of this facsimile is prohibited. If you receive this facsimile in error, please notify us by telephone and return the original to us at the above address via the US Postal Service. Thank you.



CALIFORNIA ISO

California Independent
System Operator

Terry M. Wiener
President and Chief Executive Officer

December 14, 2000

Secretary William Richardson
United States Department of Energy
1000 Independence Ave, S.W.
Washington, DC 20585

Dear Secretary Richardson:

I am writing to request that you exercise your authority under section 202(c) of the Federal Power Act and issue an emergency order for the delivery of electric energy upon request of the California ISO ("ISO").¹ The requested order should apply to all entities within the region covered by the Western Systems Coordinating Council.² The reasons for my request are described below.

Under the Department's regulations, an "Emergency" is defined as an unexpected inadequate supply that may result from various causes, including unexpected outages, a sudden increase in demand, an inability to obtain adequate fuel supply, regulatory action which prohibits the use of certain electric power facilities or other causes.³ Moreover, an Emergency can result from "extended periods of insufficient power supply as a result of inadequate planning or the failure to construct necessary facilities."⁴ Unfortunately, during the last six months California has experienced, and currently is experiencing, each of the above conditions to one degree or another.

From May 2000 through December 14, 2000, the ISO has issued 70 warnings and has declared 49 Stage One Emergencies, 32 Stage Two Emergencies, and 1 Stage Three Emergency.⁵ Of these declared emergencies, 17 Stage One Emergencies, 15 Stage Two Emergencies, and the Stage Three Emergency occurred in the last six weeks.

¹ Under the ISO's Tariff approved by FERC, the ISO, in contracting for energy or ancillary services, does not act as principal but acts as agent for, and on behalf of, Scheduling Coordinators. Scheduling Coordinators are required to submit schedules to the ISO that include the demand of the customers they represent (this encompasses the demand in California).

² The WSCC is a sub-region of North American Electric Reliability Council and covers the western part of the continental United States (California, Oregon, Washington, Idaho, Utah, Montana, Colorado, Nevada, Arizona, most of New Mexico and parts of South Dakota and western Nebraska), and portions of Canada (British Columbia and Alberta) and Mexico (Baja California, Mexico).

³ 10 C.F.R. § 205.371

⁴ *Id.*

⁵ To comply with WSCC maximum operating criteria, the ISO is required to maintain Operating Reserves equal to 5% of the demand to be met by generation from hydroelectric resources plus 7% of the demand to be met by generation from all other resources. In real time, when Operating Reserves are forecast to be less than these amounts, a Stage One Emergency is declared. If after dispatching all available resources, Operating Reserves are forecast to fall below 5%, a Stage Two Emergency is declared. At this point, large commercial customers that have signed up to voluntarily curtail power will be asked to do so. If Operating Reserves are forecast to fall below 1.5%, a Stage Three Emergency is declared. At this point, involuntary curtailments of firm load, including "rotating blackouts," are possible. The ISO declared the first Stage Three emergency in its history on December 7, 2000.

Emergency Conditions – Summer 2000

The emergency condition facing the ISO is a supply shortage and is the result of a combination of factors. The demand for energy in California and the West has increased dramatically over the last several years and there has not been an increase in supply to meet this demand. The increase in demand within the region also has reduced the amount of imports historically available to California. Moreover, during the past summer the scarcity of available generation was exacerbated by high temperatures, a further reduction in the amount of imported power, and low amounts of hydroelectric power usually available to California. These conditions led to a high usage of all the generating units in California in the past summer.

Emergency Conditions – Fall 2000

Much of the generating capacity in California is gas-fired and most of these units are over 30 years old. As a result of the strain put on these and other generating units during the summer, there has been an increase in the amount of generating unit outages (planned and unplanned) during the fall. During the last several weeks, planned outages have averaged approximately 4000MWs while unplanned outages have averaged approximately 7,000MWs. See, **Attachment A**, Generation Outage Report for December 8 through December 28, 2000. Despite having relatively mild demands compared to the summer, the 11,000 MWs of unavailable Generation and reduced imports have jeopardized the ISO's ability to secure the amounts of Operating Reserves needed to maintain system reliability.

Recently, due to the increase in production costs (principally the price of natural gas), some environmental limits, and a reduction in generation bid into the ISO markets, ISO operations personnel were forced to negotiate commercial terms in real time, jeopardizing the ISO's ability to manage the system and maintain reliability. On Friday December 8, 2000, the ISO filed, and the FERC approved, an amendment to the ISO Tariff that gave generating unit owners the opportunity to submit bids that will ensure recovery of their operating costs. In short, the amendment allows generation owners to bid a price and to be paid "as bid" subject to cost review by the FERC. The filing had immediate and beneficial effects, more generation was bid into and scheduled with the ISO, and operations personnel no longer were negotiating commercial terms in real time.

However, despite the beneficial effects of the amendment, a number of factors continue to place the ISO in an emergency situation where California is confronted with the possibility of rotating blackouts. First, internal transmission constraints in California have limited the amount of generation capable of serving Northern California. Second, significant generating resources that could serve northern California are unavailable or available at reduced output. These resources include a nuclear plant, a large pumped-storage hydroelectric facility, and several "qualifying facilities" (QFs) under the Public Regulatory Policies Act of 1978. Third, imports available to the ISO from the Northwest have dwindled to very small amounts.

Specifically, the dispersion of resources in California is such that most of the available capacity in the state is located in Southern California. In order for the Southern California capacity to be available to serve load in the entire state, that capacity must be transmitted north. Unfortunately, the primary transmission path (Path 15) between Southern and Northern California is limited in the amount of power that it can carry (i.e., has limited transfer capability). This fact, combined with low imports from the Northwest and unavailable QF generation (See **Attachment B**), has raised concerns that the ISO will be unable to satisfy demand in Northern California. This problem is exacerbated by the fact that imports from the Northwest, which can serve load in Northern California, also serves to increase the transfer capability of Path 15 (by creating a counterflow). To the extent that the ISO is able to call on, for example, existing QF capacity in Northern California, the ISO can unload Path 15 and thereby use more Southern California resources to serve Northern California load.

Importantly, the circumstances described above also have lead to a significant use of Northern California hydroelectric generation, draining critical water supplies perilously low. In fact, California has already exhausted water supplies that would have otherwise been needed next spring. We believe that the Northwest is in a similar situation. It is therefore imperative that all available thermal generation (e.g., gas, coal, nuclear, QF) in California and West be made available immediately. By making this generation available, California and the West can preserve critical water supplies for use later in the year and next year.

The increase in production costs and the scarcity of generation have led to high region-wide prices for electricity. These prices, in turn, have led suppliers in the Northwest and elsewhere to request credit assurances before supplying energy to California. Suppliers have been unwilling to rely on the credit of the existing investor-owned utilities in California: 85% of the ISO bills also go to, and are therefore dependent on, this credit. The result has been a reduction in the amount of imports being offered to the ISO. See, **Attachment C**, outlining credit inquiries received by the ISO.

Request for An Emergency Order

It is for the above reasons that I request an emergency order. A draft order should require that all entities in the WSCC with market-based rate authority from the FERC, and all QFs within the California, be ordered to generate, deliver and transmit electric energy to the ISO during such time periods and in such amounts as the ISO requests. The order should include, but not be limited to, the entities listed in **Attachments B and D**.

As a result of suppliers' ability to be paid "as bid" (described above), the ISO would exercise its authority under the emergency order only if suppliers had not bid into the ISO markets. If suppliers have not submitted a bid and have not been scheduled with the ISO in the Day-Ahead Market, the ISO will forecast the amount of capacity it anticipates it will need and direct the necessary resources to bid into the Hour-Ahead and real-time markets. Such resources would then be compensated according to the provisions of the ISO tariff, as approved in Amendment No. 33 (**Attachment E**). For those entities that do not have a contractual or business relationship with the ISO, the ISO will negotiate appropriate compensation. Therefore, the ISO will ensure that it has procured the necessary capacity at rates that will ultimately be subject to a FERC just and reasonable review. For those entities with native load obligations, the amount of energy to be supplied to the ISO under the emergency order would be that energy available after fulfilling native load requirements.

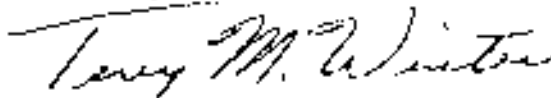
As noted above, the emergency order would apply to QFs within the California. The ISO currently estimates that 1000-2000 MW of QF generation in California is currently unavailable, the majority of which is located in Southern California. The definition of Emergency under the Department's regulations includes regulatory action which prohibits the use of certain electric power facilities. Recently FERC issued an order waiving certain provisions of its QF regulations to allow OFs to provide more capacity in California. Unfortunately, there are still state regulatory barriers concerning the QFs and the IOUs with which the QFs have contracts. Certain QF generation is unavailable due to the concerns of: (1) the QFs regarding recovery of productions costs, and (2) the investor-owner utilities that have contracted with QFs regarding their ability to recover the increased payments to QFs. Your authority under section 202 (c) of the FPA section extends to QFs.⁶ Attached is a list of organizational contacts for the QF generators in California to which the emergency order would apply. See **Attachment B**. A detailed list of the QFS will be submitted later.

⁶ See, 18 C.F.R. § 292.307(a)(2).

December 14, 2000

I appreciate your consideration of this request and look forward to hearing from you as soon as possible.

Sincerely,

A handwritten signature in cursive script, reading "Terry M. Winter".

Terry M. Winter
President & Chief Executive Officer

TAMW:kjh

Enclosures

RICHARD BLUMENTHAL
ATTORNEY GENERAL



Original of
014604

55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120

Office of The Attorney General
State of Connecticut

August 14, 2002

Honorable Spencer Abraham
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Secretary Abraham:

I have been informed that Mr. Richard Kessel of the Long Island Power Authority ("LIPA") has sought an order from the Department of Energy ("DOE") directing the Cross-Sound Cable Company LLC ("Cross Sound") to commence operation of an underwater electric transmission cable that has not been completely constructed and has not met the terms of its state and federal permits. Specifically, during May of this year, Cross Sound began installing a controversial power line between Connecticut and Long Island. Cross Sound was unable to complete installation to the required depth and, due to various important environmental concerns, the permits issued to Cross Sound prohibit construction under the Long Island Sound during the summer months. The relevant state and federal regulatory authorities concluded that the cable cannot be legally operated until the terms of the permits are met. Accordingly, I went to court to obtain an injunction to prevent illegal operation of the cable. Cross Sound, the defendant in that action, agreed in open court not to operate the cable until the environmental and safety terms of the permit are met.

Now LIPA is seeking a federal "emergency" order to compel Cross Sound to violate state and federal law. It is hardly necessary to point out that the safety of the public and the protection of the environment are paramount issues that cannot be cavalierly ignored by LIPA.

Further, there is no indication that any of the normal load-shedding or other activities associated with a true emergency have occurred on Long Island. It would make no sense to issue an order to violate state law and operate an incomplete transmission line that does not meet

August 14, 2002

Page 2

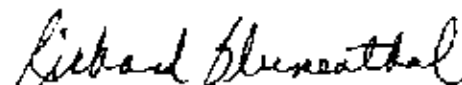
minimum safety standards when no emergency operating conditions exist in Long Island and when operation of the cable could trigger a true emergency in New England.

Even if there were a true emergency, the Federal Power Commission's (FPC) statutory authority simply does not permit the Department of Energy or the Commission to order that an unlicensed incomplete cable be used to transport electricity. The Federal Power Act (FPA) does not preempt the siting and licensing function of the states concerning electric transmission facilities. Rather, the FPA only authorizes federal authority over the operation and sale of electric transmission services after the transmission facilities are properly licensed by the State. 16 United States Code § 824a(b) provides certain emergency powers over the "connections of [electric transmission] facilities." Obviously, "facilities for the ...transmission of" electricity do not include unpermitted, incomplete and unsafe partially installed cables.

LIPA has failed to make any factual showing that the extraordinary action it requests is appropriate. At present, LIPA has failed to show any likelihood of success in proving that a true emergency of the sort contemplated by the FPA exists. Second, LIPA has failed to show, much less recognize, the effect that a transfer of 300 MW of electricity from New England to Long Island would have on New England. Much of New England, and particularly Connecticut, shares the same weather as Long Island and thus is subject to the same power demands during a heat wave. Third, LIPA has failed to show that it has exhausted all other remedies available to it. LIPA has numerous interconnections with ConEd that may or may not be overloaded. Moreover, LIPA has failed to show that it has taken any steps to run peaking generating units on Long Island that were recently installed but are not yet able to run pursuant to New York environmental standards. Certainly LIPA should seek to meet or even lawfully circumvent New York law to meet its own power needs before it attempts to overrun the laws of its neighbor.

I urge you, therefore, to deny this improper, illegal and unjustified request.

Very truly yours,

A handwritten signature in cursive script, reading "Richard Blumenthal".

RICHARD BLUMENTHAL

Rodriguez, Susan (CONTR)

From: Batra, Rakesh
Sent: Monday, January 22, 2018 6:49 AM
To: Jereza, Catherine; Rosenbaum, Matthew
Subject: PJM/Dominion 202 (c) Filing - Purpose and Timeline
Attachments: PJM Dominion Order Timeline.xlsx

Please see attached.

Thanks,
Rakesh Batra

Purpose: To order PJM/Dominion, to operate Yorktown Units 1 and 2 to avoid load shedding across the North Hampton Roads area which could impact over half a million people.

No.	PJM/Dominion 202(C) Proceeding/Order Timeline						
	Activity	Title/Name	Due Day	Due Date		Primary POC	Secondary POC
				All Cases			
1	Last Order		Wednesday	(b) (5)			
2	Emmissions Data Received		Thursday	(b) (5)	Every 2 weeks	Brian	Brian/Matt
3	Water Data Received				Every 2 weeks	Brian	Brian/Matt
3	Application & Data		Tuesday	(b) (5)		Rakesh Batra	Brian/Kathy/Matt
4	Review Application		Tuesday	(b) (5)		Rakesh Batra	Brian/Kathy/Matt
5	Review Data		Tuesday	(b) (5)		Brian	Brian/Matt
6	EPA Consultation Request		Tuesday	(b) (5)		Brian/ Kathy K	Julie/ Chris Drakes
7	Senior staff Heads Up		Monday	(b) (5)	by 3:30PM	Rakesh to Kathy B.	Matt to Kathy B.
8	Draft Order		Thursday	(b) (5)		Kathy K	Rakesh
9	Summary of Findings		Thursday	(b) (5)		Kathy K	Rakesh
10	Action Memo		Friday	(b) (5)		Rakesh Batra	Kathy K
11	NEPA Review/CX		Friday	(b) (5)		Brian/ Kathy K	Julie/ Chris Drakes
12	EPA Consultation Confirmation	Kellie Ortega	Friday	(b) (5)		Brian/ Kathy K	Julie/ Chris Drakes
13	Briefing principles		(b) (5)			Rakesh Batra/ Brian Mills	Matt Rosenbaum / Brian Mills
14	Concurrence Staff Availability		Check availability of Concurrence staff and available backup staff - Kathy B.			Rakesh Batra/ Matt Rosenbaum	Matt/Brian
15	Concurrence - OE	DAS - Catherine Jereza	Thursday	(b) (5)		Rakesh Batra	Matt
16	Concurrence - OE	AS - Bruce Walker	Thursday	(b) (5)		Rakesh Batra	Jereza, Catherine
17	Concurrence - CI	DAS -Douglas Little	Thursday	(b) (5)		Catherine Jereza	Kathy Bittner
18	Concurrence - CF	CFO -John Vonglis	Thursday	(b) (5)		Catherine Jereza	Kathy Bittner
19	Concurrence - PA	Dir - W Turenne	Thursday	(b) (5)		Catherine Jereza	Kathy Bittner
20	Concurrence - GC	Deputy - John Lucas	Thursday	(b) (5)		Catherine Jereza	Kathy Bittner
21	Concurrence - S3	Under Sec Mark Menezes	Friday	(b) (5)		Lisa Pitcher	Tanisha Fuller
22	Concurrence - S2	Deputy Sec - Dan Brouillette	Friday	(b) (5)		Lisa Pitcher	Tanisha Fuller
23	Concurrence - DCOS	Deputy - Dan Wilmont	Friday	(b) (5)		Lisa Pitcher	Tanisha Fuller
24	Concurrence - COS	Brian McCormack	Friday	(b) (5)		Lisa Pitcher	Tanisha Fuller
25	Concurrence -S1	Rick Perry	Monday	(b) (5)		Lisa Pitcher	Tanisha Fuller
26	Next Order		Monday	(b) (5)			
27	PJM/Dominion Communication	Steven Pincus / M. Regulinski	Monday	(b) (5)		Rakesh Batra	Kathy Bittner

(b) (5)

Rodriguez, Susan (CONTR)

From: Drake, Christopher
Sent: Wednesday, February 21, 2018 6:27 AM
To: Batra, Rakesh; Konieczny, Katherine
Cc: Jereza, Catherine; Rosenbaum, Matthew; Mills, Brian
Subject: RE: 202 (c) Draft order

Rakesh:

(b) (5)

-----Original Message-----

From: Batra, Rakesh
Sent: Wednesday, February 21, 2018 8:28 AM
To: Konieczny, Katherine <Katherine.Konieczny@Hq.Doe.Gov>; Drake, Christopher <Christopher.Drake@hq.doe.gov>
Cc: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>; Mills, Brian <Brian.Mills@hq.doe.gov>
Subject: 202 (c) Draft order

Kathy and Chris:

(b) (5)

Also, Brian will need the "Order Number" for CX.

Thanks,
Rakesh

Rodriguez, Susan (CONTR)

From: Mills, Brian
Sent: Friday, March 09, 2018 10:48 AM
To: Jereza, Catherine
Subject: FW: 202(c) Package

-----Original Message-----

From: Bittner, Kathy (CONTR)
Sent: Friday, March 09, 2018 1:47 PM
To: Mills, Brian <Brian.Mills@hq.doe.gov>
Subject: RE: 202(c) Package

Still with S3

-----Original Message-----

From: Mills, Brian
Sent: Friday, March 09, 2018 11:56 AM
To: Bittner, Kathy (CONTR) <Kathy.Bittner@hq.doe.gov>
Subject: 202(c) Package

Any update on progress?

Rodriguez, Susan (CONTR)

From: Konieczny, Katherine
Sent: Tuesday, March 13, 2018 11:29 AM
To: Jereza, Catherine
Subject: Automatic reply: 202 (c) Update

I will not be in the office Tuesday, March 13, through Thursday, March 15, but I will be periodically checking email. For urgent matters, please call my cell phone at (b) (6).

Have a great day,
Kathy

Kathy Konieczny
Acting Assistant General Counsel for Electricity and Fossil Energy
U.S. Department of Energy

Rodriguez, Susan (CONTR)

From: Konieczny, Katherine
Sent: Tuesday, March 13, 2018 11:29 AM
To: Jereza, Catherine
Subject: Automatic reply: 202 (c) Update

I will not be in the office Tuesday, March 13, through Thursday, March 15, but I will be periodically checking email. For urgent matters, please call my cell phone at (b) (6).

Have a great day,
Kathy

Kathy Konieczny
Acting Assistant General Counsel for Electricity and Fossil Energy
U.S. Department of Energy

Rodriguez, Susan (CONTR)

From: Jereza, Catherine
Sent: Tuesday, March 13, 2018 11:29 AM
To: Batra, Rakesh
Cc: Konieczny, Katherine
Subject: RE: 202 (c) Update

Thanks!

From: Batra, Rakesh <Rakesh.Batra@Hq.Doc.Gov>
Date: Tuesday, Mar 13, 2018, 2:03 PM
To: Minnick, Debra B. (CONTR) <Debra.Minnick@hq.doc.gov>, Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doc.gov>, Birtner, Kathy (CONTR) <Kathy.Birtner@hq.doc.gov>, Jereza, Catherine <Catherine.Jereza@Hq.Doc.Gov>, Mills, Brian <Brian.Mills@hq.doc.gov>
Subject: 202 (c) Update

I personally met Wayne Smith and America Bowie to get the latest update on 202 (c) order.
No new updates are available. COS was at White House the entire morning. (b) (5)

Thanks,
Rakesh

Rodriguez, Susan (CONTR)

Sent: Tuesday, March 13, 2018 11:29 AM
To: Batra, Rakesh
Cc: Konieczny, Katherine
Subject: RE: 202 (c) Update

Thanks!

From: Batra, Rakesh <Rakesh.Batra@Hq.Doe.Gov>
Date: Tuesday, Mar 13, 2018, 2:03 PM
To: Minnick, Debra B. (CONTR) <Debra.Minnick@hq.doe.gov>, Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>, Bittner, Kathy (CONTR) <Kathy.Bittner@hq.doe.gov>, Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>, Mills, Brian <Brian.Mills@hq.doe.gov>
Subject: 202 (c) Update

Rodriguez, Susan (CONTR)

From: Batra, Rakesh
Sent: Wednesday, March 14, 2018 12:06 PM
To: Rosenbaum, Matthew; Bittner, Kathy (CONTR)
Cc: Mills, Brian; Jereza, Catherine; Minnick, Debra B. (CONTR)
Subject: RE: 2018-001435 - response required
Attachments: Congressional Response V1 cdh kj.docx

Kathy,

Attached is the revised draft response (I found an extra period and parenthesis in paragraph 4).

In your action memo and formal note you can add the following:

BACKGROUND: On February 21, 2018, a few Senators and Representatives sent a letter calling on the President to safeguard the grid's fuel security and direct the Secretary of Energy to exercise his Section 202(c) emergency powers under the Federal Power Act. Also, the Senators and Representatives requested that the Department of Energy evaluate the announced and expected retirement of additional fuel-secure baseload generation units and the potential national security and economic ramifications.

(b) (5)

Please let me know if you need anything else - Rakesh

From: Rosenbaum, Matthew
Sent: Wednesday, March 14, 2018 9:24 AM
To: Bittner, Kathy (CONTR) <Kathy.Bittner@hq.doe.gov>; Batra, Rakesh <Rakesh.Batra@Hq.Doe.Gov>
Cc: Mills, Brian <Brian.Mills@hq.doe.gov>; Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Minnick, Debra B. (CONTR) <Debra.Minnick@hq.doe.gov>
Subject: RE: 2018-001435 - response required

Kathy,

Attached is our draft response.

Please let me know if you need anything else - Matt

From: Bittner, Kathy (CONTR)
Sent: Thursday, March 08, 2018 1:11 PM
To: Batra, Rakesh <Rakesh.Batra@Hq.Doe.Gov>; Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Cc: Mills, Brian <Brian.Mills@hq.doe.gov>; Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Minnick, Debra B.

(CONTR) <Debra.Minnick@hq.doe.gov>
Subject: 2018-001435 - response required

All,

Attached please find the new Congressional incoming correspondence pertaining to Section 202c.

It is a signature level of S-1. Please let me know if that is an appropriate signature level. If it is, I will send an Action Memo that will need to be completed. If not, a signature downgrade form will need to be completed.

May I please have the draft response by COB Thursday, March 15th?

I have also attached the closeout form that was used for the Murray letter.

Let me know if you need any additional information.

Kathy Bittner
Correspondence Specialist
ICF, Contractor for U.S. Department of Energy
Office of Electricity Delivery and Energy Reliability
Phone: (202) 287-5613
Email: kathy.bittner@hq.doe.gov

March 8, 2018

Dear Senators and Representatives:

(b) (5)

Sincerely,

Hon Mark Wesley Menezes
Under Secretary of Energy
U.S. DEPARTMENT OF ENERGY.
1000 Independence Ave. SW
Washington DC 20585

Rodriguez, Susan (CONTR)

From: Batra, Rakesh
Sent: Thursday, March 22, 2018 11:08 AM
To: Jereza, Catherine; Harbin, Christine
Cc: Rosenbaum, Matthew
Subject: RE: Hearing Request to keep Navajo Generating Station operational beyond 2019
Attachments: 2018-001400 - Draft Action Memo to S3 (003) v2.docx

Please see attached action memo addressing your comments. Please let me know if you want any further revisions.

Thanks,
Rakesh

From: Jereza, Catherine
Sent: Thursday, March 22, 2018 12:14 PM
To: Batra, Rakesh <Rakesh.Batra@Hq.Doe.Gov>; Harbin, Christine <Christine.Harbin@hq.doe.gov>
Cc: Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Subject: RE: Hearing Request to keep Navajo Generating Station operational beyond 2019

Another thing. There is supposed to be a sentence explaining why we are focusing on the request rather than engage in a lengthy debate. The memo must demonstrate our rationale so leadership is comfortable with signing the letter

From: Batra, Rakesh <Rakesh.Batra@Hq.Doe.Gov>
Date: Thursday, Mar 22, 2018, 11:31 AM
To: Harbin, Christine <Christine.Harbin@hq.doe.gov>
Cc: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Subject: FW: Hearing Request to keep Navajo Generating Station operational beyond 2019

Looping in Christine. Forgot first time.

-----Original Message-----

From: Batra, Rakesh
Sent: Thursday, March 22, 2018 11:28 AM
To: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Subject: Hearing Request to keep Navajo Generating Station operational beyond 2019

Katie,

(b) (5)

Thanks,
Rakesh

MEMORANDUM FOR THE UNDER SECRETARY

FROM: BRUCE J. WALKER
ASSISTANT SECRETARY
ELECTRICITY DELIVERY AND ENERGY RELIABILITY

SUBJECT: Navajo Generating Station (NGS) operation beyond 2019.

ACTION: Approval of Response to letter to Under Secretary Mark Menezes from Representative Mark Finchem, Vice Chair, Arizona House Federalism, Property Rights and Public Policy Committee, Arizona House of Representatives

ISSUE: Whether to approve the response letter declining a hearing request from Arizona Representative Finchem.

BACKGROUND:**Primary Request from the State Legislators:**

On February 12, 2018, Arizona Rep. Mark Finchem, Vice-Chair of the Arizona House Federalism, led a group of Arizona state legislators in sending a letter requesting the Department of Energy (DOE) to convene a hearing on the premature closing of NGS. This 2,250 MW coal-fired electricity generation plant in northern Arizona faces decommissioning and is scheduled to shut down in 2019. The purpose of the requested hearing is to address the following specific questions: (a) higher than market coal purchase price, making NGS appear to be non-competitive when in fact it is not; (b) load to capacity dark space, a "lucrative black hole" for hiding profitability; (c) inflated labor costs; (d) premature launch of a decommissioning plan, allegedly already underway; and (e) the economic impact to the Navajo nation, the Hopi Tribe, the State of Arizona, and America.

Additional Issues Raised in the Letter:

1. NGS was created by an Act of Congress and can only be shut down by Congress
2. The Obama Administration based its plan to shut down NGS on faulty and incomplete analysis
3. The state of Arizona will lose over \$8 billion in revenue, and the City of Page and Coconino County may likely go bankrupt, according to W.P. Carey Report commissioned by SRP in 2012
4. Navajo and Apache Counties may be hit hard economically

5. The natural resource that the Navajo and Hopi rely on for over 65% of their income will be stranded

DOE Response:

DOE response is focused on the specific request for a hearing. DOE will focus on finding a comprehensive solution to this issue, in partnership with other federal agencies, instead of hosting a lengthy discussion about the additional issues raised in the letter as listed above.

DOE is aware of the potential national and economic security risks associated with our changing portfolio of electric power generation nationwide that is depleting our fuel assured generation; specifically, coal and nuclear. In lieu of holding a hearing in the immediate term, DOE remains committed to partnering with other federal agencies -- including FERC, NERC, and the Department of Interior -- in reaching a positive solution for the nation's electric grid. DOE respects the regulatory process and will seek a solution that is in the best interest of national and economic security.

Secretary of Energy at DOE has the authority to keep facilities temporarily operational under Section 202(c) of the Federal Power Act (FPA) to best meet the emergency and serve the public interest.

SENSITIVITIES: Salt River Project (SRP) in its 2017 Annual report provides economic reasons for the shutdown of the NGS. Tucson Electric Power Company's (TEP) 2017 Integral Resource Plan also provides economic reasons for the shutdown. SRP, TEP and Peak Reliability, the Reliability Coordinator of the region, all are silent on any reliability issues for the closure of NGS.

POLICY IMPACT: N/A

URGENCY: N/A

RECOMMENDATION: That you approve the response letter to Representative Finchem.

APPROVE: _____ DISAPPROVE: _____ NEEDS DISCUSSION: _____ DATE: _____

Rodriguez, Susan (CONTR)

From: Batra, Rakesh
Sent: Thursday, March 22, 2018 1:10 PM
To: Jereza, Catherine; Harbin, Christine
Cc: Rosenbaum, Matthew
Subject: RE: Hearing Request to keep Navajo Generating Station operational beyond 2019

Will the below paragraph work:

(b) (5)

From: Jereza, Catherine
Sent: Thursday, March 22, 2018 3:00 PM
To: Batra, Rakesh <Rakesh.Batra@Hq.Doe.Gov>; Harbin, Christine <Christine.Harbin@hq.doe.gov>
Cc: Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Subject: RE: Hearing Request to keep Navajo Generating Station operational beyond 2019

(b) (5)

Need to see the changes in the letter as well

Thanks
Katie

From: Batra, Rakesh <Rakesh.Batra@Hq.Doe.Gov>
Date: Thursday, Mar 22, 2018, 2:07 PM
To: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Harbin, Christine <Christine.Harbin@hq.doe.gov>
Cc: Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Subject: RE: Hearing Request to keep Navajo Generating Station operational beyond 2019

Please see attached action memo addressing your comments. Please let me know if you want any further revisions.

Thanks,
Rakesh

From: Jereza, Catherine
Sent: Thursday, March 22, 2018 12:14 PM
To: Batra, Rakesh <Rakesh.Batra@Hq.Doe.Gov>; Harbin, Christine <Christine.Harbin@hq.doe.gov>
Cc: Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Subject: RE: Hearing Request to keep Navajo Generating Station operational beyond 2019

(b) (5)

From: Batra, Rakesh <Rakesh.Batra@Hq.Doe.Gov>
Date: Thursday, Mar 22, 2018, 11:31 AM
To: Harbin, Christine <Christine.Harbin@hq.doe.gov>
Cc: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>, Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Subject: FW: Hearing Request to keep Navajo Generating Station operational beyond 2019

Looping in Christine. Forgot first time.

-----Original Message-----

From: Batra, Rakesh
Sent: Thursday, March 22, 2018 11:28 AM
To: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Subject: Hearing Request to keep Navajo Generating Station operational beyond 2019

Katie,

Attached are two documents - Draft Action Memo to S3 and DOE response, to AZ Rep's letter requesting hearing to keep Navajo Generating Station operational beyond 2019. I have made all the changes we discussed on Tuesday evening. This is just a reminder that we need to submit the drafts response into the concurrence process quickly to meet the required due date.

(b) (5)

Thanks,
Rakesh

Rodriguez, Susan (CONTR)

From: Mansueti, Lawrence
Sent: Tuesday, March 27, 2018 6:15 AM
To: Rosenbaum, Matthew
Cc: Jereza, Catherine; Kim, Joyce
Subject: RE: USE THIS ONE QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29
Attachments: QFR 3-20-18 SENR S1 - Q33 re use of FPA sec 202c.docx

Found a grammar error after I had sent below.

Correct file to use attached.

From: Mansueti, Lawrence
Sent: Tuesday, March 27, 2018 9:05 AM
To: Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Cc: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Kim, Joyce <Joyce.Kim@Hq.Doe.Gov>
Subject: RE: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Draft for response to Q33 re use of FPA Sec. 202(c) attached.

From: Rosenbaum, Matthew
Sent: Monday, March 26, 2018 3:06 PM
To: Mansueti, Lawrence <Lawrence.Mansueti@hq.doe.gov>
Cc: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Kim, Joyce <Joyce.Kim@Hq.Doe.Gov>
Subject: FW: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Larry,

Can you please take a shot at answering this by tomorrow as we discussed on the phone? It is similar to the rest of the 202c related questions you have been answering.

Thanks, Matt

From: Perrin, Rusty
Sent: Monday, March 26, 2018 2:52 PM
To: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>
Cc: Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>; Kim, Joyce <Joyce.Kim@Hq.Doe.Gov>
Subject: RE: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

(b) (5)

Thursday?

In either case, could you get me an answer by

RP

From: Perrin, Rusty

Sent: Monday, March 26, 2018 1:31 PM

To: Streit, Devon (Lisa) HQ <Devon.Streit@Hq.Doe.Gov>; Kenchington, Henry <Henry.Kenchington@hq.doe.gov>; Pesin, Michael <Michael.Pesin@hq.doe.gov>; Parks, William <William.Parks@hq.doe.gov>

Cc: Baumgartner, Jeffrey <Jeffrey.Baumgartner@Hq.Doe.Gov>; Calderon, Victor (CONTR)

<Victor.Calderon@hq.doe.gov>; Kaushiva, Akhlesh <Akhlesh.Kaushiva@Hq.Doe.Gov>; Hawk, Carol

<Carol.Hawk@Hq.Doe.Gov>; Bindewald III, Gilbert <Gilbert.Bindewald@hq.doe.gov>; Haught, Debbie

<Debbie.Haught@hq.doe.gov>; Lee, Terri <Terri.Lee@hq.doe.gov>; Harbin, Christine <Christine.Harbin@hq.doe.gov>

Subject: RE: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

(b) (5)

RP

From: Perrin, Rusty

Sent: Monday, March 26, 2018 10:19 AM

To: Streit, Devon (Lisa) HQ <Devon.Streit@Hq.Doe.Gov>; Kenchington, Henry <Henry.Kenchington@hq.doe.gov>; Pesin, Michael <Michael.Pesin@hq.doe.gov>; Parks, William <William.Parks@hq.doe.gov>

Cc: Baumgartner, Jeffrey <Jeffrey.Baumgartner@Hq.Doe.Gov>; Calderon, Victor (CONTR)

<Victor.Calderon@hq.doe.gov>; Kaushiva, Akhlesh <Akhlesh.Kaushiva@Hq.Doe.Gov>; Hawk, Carol

<Carol.Hawk@Hq.Doe.Gov>; Bindewald III, Gilbert <Gilbert.Bindewald@hq.doe.gov>; Haught, Debbie

<Debbie.Haught@hq.doe.gov>; Lee, Terri <Terri.Lee@hq.doe.gov>; Harbin, Christine <Christine.Harbin@hq.doe.gov>

Subject: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Attached, please see questions for the record from the Secretary's 3/20/2018 hearing before the Senate Energy and Natural Resources Committee. Please draft responses for questions assigned to you, and return them to me **by Thursday, 3/29.**

Note there is one response that I am in process of trying to get reassigned to WAPA. If any of you, however, feel competent to answer it, let me know and I'll call off the reassignment effort.

RP

QUESTIONS FROM CHAIRMAN MURKOWSKI

Q7. Alaska is home to more than 200 microgrids and leads the world on innovation in bringing together locally-available renewable resources in hybrid energy microgrids to decrease cost and emissions for our people. Microgrids have been a major topic for the Committee this year. Many are looking to microgrid concepts to provide increased power reliability and resilience to high-value assets on the major interconnected grids, or to provide similar value to the grids in Puerto Rico and the U.S. Virgin Islands. Although microgrids are an effective enabling technology for many small generating sources such as microreactors and marine hydrokinetics, there must be more research to refine these concepts and improve technologies.

Q7a. How do you plan to advance microgrid research, development, and deployment through the Department of Energy?

(b) (5)

(b) (5)

Q7b. How will that work facilitate work in the many DOE Offices?

A7b.

Q7c. Are hybrid-energy system microgrids a significant enabling technology for increasing grid reliability and resilience?

A7c.

Q7d. Are hybrid-energy system microgrids a significant enabling technology for distributed energy generation sources such as microreactors, small hydro, small wind, small solar, and energy storage?

A7d.

Q7e. How do you plan to advance microgrid research, development, and deployment through the Department of Energy?

A7e.

Assistant Secretary: B. Walker
Date:
Phone: 6-1411

Preparation Lead: M. Pesin
Preparation Team: G. Bindewald, D. Haught
Phone: 6-5298

Concurrences:
OE:
GC:
CI:
CF:
OP:
EERE:
NE:
Cleared for Hill:

Date Q received: 3/23/2018

QUESTIONS FROM RANKING MEMBER CANTWELL

Q21. Secretary Perry said at a hearing in the House that he is "not confident" the federal government has an adequate strategy in place to address the cybersecurity threat.

Q21a. What additional authority do you need to meet this challenge?

A21a.

(b) (5)

Q21b. If you have all the authority you need, why have you not been able to develop an adequate strategy?

A21b.

Q21c. What have you done in the past year to advance DOE's role as the Energy Cybersecurity Sector Specific Agency?

A21c.

Q22. In response to what has been characterized by the Federal government as a "multi-stage intrusion campaign by Russian government cyber actors who ...gained remote access into energy sector networks" the FBI and DHS issued a joint alert to critical infrastructure sectors, including the energy sector. Yet on the same day, Secretary Perry testified in front of the House of Representatives that he did not think the Federal government had an adequate strategy in place to address the number of cyberattacks directed at the United States. Why did it appear that the FBI, DHS, and DOE were not all coordinated in what appears to be the most significant public federal response to Russian cyber intrusions on the grid? Please explain to this committee how you have used your authority as Secretary of the Sector Specific Agency in charge of energy cybersecurity to work with the Director of the FBI and the Secretary of Homeland Security on energy cybersecurity matters? How can you ensure you will coordinate better with DHS and FBI?

A22.

Q24. Why has energy cybersecurity been overlooked in the infrastructure bill despite the fact that the Administration and the Department of Energy have agreed that our grid is vulnerable to cyberattack, the FBI and DHS admitted last week that our grid is currently under attack?

A24.

Q25a. Are you confident that President Trump understands the gravity of the threat of cyberattacks to our way of life?

A25a.

Q25b. How will you ensure that an effective federal strategy will be developed to meet this challenge?

A25b.

Q25c. When can we expect a comprehensive capability and vulnerability assessment to be completed?

A25c.

Assistant Secretary: B. Walker
Date:
Phone: 6-1411

Preparation Lead: H. Kenchington
Preparation Team: D. Streit
Phone: 6-1878

Concurrences:

OE:

GC:

CI:

CF:

OP:

Cleared for Hill:

Date Q received: 3/23/2018

Q26. There were 16 separate billion-dollar weather and climate disaster events in 2017, costing the economy hundreds of billions in losses – a record breaking year. The DOE budget proposal includes a 64 percent cut to Transmission Reliability and Resilience and an 80 percent cut to Resilient Distribution Systems. After a record year of weather and climate disaster events, which clearly illustrate the need for increased resilience for our electric grid, how do you justify these drastic cuts to electricity resiliency?

A26.

Assistant Secretary: B. Walker Preparation Lead: M. Pesin
Date: Preparation Team: G. Bindewald, D. Haught
Phone: 6-1411 Phone: 6-5298

Concurrences:
OE:
GC:
CI:
CF:
OP:
Cleared for Hill:

Date Q received: 3/23/2018

Q27. The DOE proposed budget includes a 74 percent cut to the energy storage program within the Office of Electricity Delivery and a 75 cut to battery and electrification technologies within EERE's vehicles office. At a hearing in the House, Secretary Perry said that energy storage is the "Holy Grail." If energy storage is the "Holy Grail," why does the budget proposal cut it in multiple offices?

A27.

Assistant Secretary: B. Walker Preparation Lead: M. Pesin
Date: Preparation Team: G. Bindewald, D. Haught (coordinate w/ EERE)
Phone: 6-1411 Phone: 6-5298

Concurrences:
OE:
GC:
CI:
CF:
OP:
EERE:
Cleared for Hill:

Date Q received: 3/23/2018

Q33. Will DOE commit not to abuse the Federal Power Act to keep coal plants open that are simply not competitive?

(b)
(5)

(b) (5)

Assistant Secretary: B. Walker
Date:
Phone: 6-1411

Preparation Lead: K. Jereza
Preparation Team: L. Mansueti
Phone: 6-0334

Concurrences:
OE:
GC:
CI:
CF:
OP:
EERE:
Cleared for Hill:

Date Q received: 3/23/2018

QUESTIONS FROM SENATOR WYDEN

Q8. DOE's budget proposal reduces energy storage research at the Office of Electricity Delivery by 74%. This office is funding new types of energy storage beyond current lithium-ion technologies.

What specific next-generation energy storage research, including those currently being funded, would be disrupted with this budget cut?

A8.

Assistant Secretary: B. Walker
Date:
Phone: 6-1411

Preparation Lead: M. Pesin
Preparation Team: G. Bindewald, D. Haught
Phone: 6-5298

Concurrences:
OE:
GC:
CI:
CF:
OP:
Cleared for Hill:

Date Q received: 3/23/2018

QUESTIONS FROM SENATOR SANDERS

- Q3. In December 2017, several organizations including the Department of Energy submitted a report, *Build Back Better: Reimagining and Strengthening the Power Grid of Puerto Rico*, to New York Governor Cuomo, Puerto Rico Governor Roselló, and FEMA Administrator Long. This report recommended a resilient rebuilding plan for Puerto Rico that focuses on distributed energy sources like wind and solar as well as “islandable” microgrids. Furthermore, according to the DOE Office of Electricity Delivery and Energy Reliability’s March 14 Situation Report on Hurricanes Maria and Irma:

“The U.S. Department of Energy (DOE) continues to support restoration and recovery efforts related to Hurricanes Maria and Irma. On Puerto Rico, DOE continues to provide support to FEMA. Subject matter experts from the DOE Power Marketing Administration remain deployed to provide technical assistance to the U.S. Army Corps of Engineers. DOE has also deployed a responder to Puerto Rico under the National Disaster Recovery Framework to support the FEMA recovery mission and development of a Federal Recovery Plan.”

- Q3a. Please outline the status of your work, including a timeline, with FEMA, the U.S. Army Corps, and private contractors to implement the suggestions laid out in the *Build Back Better* report.

A3a.

- Q3b. Please outline the National Disaster Recovery Framework referenced in the March 14 Situation Report and describe how it relates to the *Build Back Better* report’s recommendations to increase distributed energy and microgrids in Puerto Rico. Specifically, how many of the report’s recommendations are currently being implemented in both recovery and rebuilding efforts in Puerto Rico?

A3b.

- Q3c. Please describe any other recommendations that the Department of Energy has considered for ensuring that Puerto Rico’s electric grid is expeditiously rebuilt in a way that is decentralized and resilient.

A3c.

Assistant Secretary: B. Walker
Date:
Phone: 6-1411

Preparation Lead: B. Parks
Preparation Team: D. Streit
Phone: 6-9292

Concurrences:
OE:
GC:
CI:
CF:
OP:
Cleared for Hill:

Date Q received: 3/23/2018

Q3d. The March 14 Situation Report states that “responders deployed to the U.S. Virgin Islands (USVI) demobilized on January 12th.” Please provide an outline of the work on the U.S. Virgin Islands that was completed with the DOE’s guidance. Also, please list the justifications for the demobilization in the U.S. Virgin Islands.

A3d.

Assistant Secretary: B. Walker
Date:
Phone: 6-1411

Preparation Lead: D. Streit
Preparation Team:
Phone: 6-7181

Concurrences:
OE:
GC:
CI:
CF:
OP:
Cleared for Hill:

Date Q received: 3/23/2018

QUESTIONS FROM SENATOR DAINES

Q2. Grid security has been a major focus of mine and well as this Committee. A frequent issue for rural electric cooperatives is the lack of resources to fight against cyber-attacks against the grid. How will the reorganization of Office of Electricity and Energy Reliability and accompanying budget effect DOE's ability to support our rural electric cooperatives and can you commit to continue to work with rural electric cooperatives to secure our grid from cyber-attacks?

A2.

Assistant Secretary: B. Walker
Date:
Phone: 6-1411

Preparation Lead: D. Streit
Preparation Team: H. Kenchington
Phone: 6-7181

Concurrences:
OE:
GC:
CI:
CF:
OP:
Cleared for Hill:

Date Q received: 3/23/2018

QUESTIONS FROM SENATOR GARDNER

- Q1. The Office of Electricity Delivery and Energy Reliability has led an effort, in coordination with the national laboratories, to address the technical challenges of grid modernization. In many cases, these assets are privately owned with little resources for research and development. Therefore, DOE has provided critical support in research, testing and validation, and deployment of technologies for the grid.

The Fiscal Year 2019 budget request would split this office into two offices, one focused on cybersecurity and energy security and one focused on electricity delivery.

- Q1a. The DOE Grid Modernization Initiative and the Grid Modernization Laboratory Consortium have brought together technical expertise from national laboratories to address specific challenges facing the grid from cybersecurity to energy storage. This crosscutting initiative has been a success, and it is important that DOE continue to lead this program. Can you comment on the department's plans for these two efforts?

A1a.

Assistant Secretary: B. Walker
Date:
Phone: 6-1411

Preparation Lead: B. Parks
Preparation Team: G. Bindewald, D. Haught
Phone: 6-9292

Concurrences:
OE:
GC:
CI:
CE:
OP:
Cleared for Hill:

Date Q received: 3/23/2018

- Q1b. Given this week's news on the attempts of foreign nations to attack our grid, are you confident the department's budget request will provide the resources necessary to ensure that our electric grid remains secure?

A1b.

- Q1c. Is there something else we could be doing to support a strong, coordinated interagency federal effort to make sure our critical infrastructure has the necessary cybersecurity?

A1c.

(b) (5)

Assistant Secretary: B. Walker
Date:
Phone: 6-1411

Preparation Lead: H. Kenchington
Preparation Team: D. Streit
Phone: 6-1878

Concurrences:
OE:
GC:
CI:
CF:
OP:
Cleared for Hill:

Date Q received: 3/23/2018

Q2. On March 1st Assistant Secretary Bruce Walker testified before this committee that his office was working with DoD and the Western Area Power Administration (WAPA) on Defense Critical Electric Infrastructure issues, essentially using WAPA as a testing ground for cyber issues. How does your elimination of WAPA's Infrastructure Security and Energy Restoration funding and your proposal that WAPA sell off its transmission assets help address these important Defense Critical Electrical Infrastructure issues?

A2.

Assistant Secretary: B. Walker
Date:
Phone: 6-1411

Preparation Lead: Propose for reassign to WAPA
Preparation Team:
Phone:

Concurrences:
OE:
GC:
CI:
CF:
OP:
Cleared for Hill:

Date Q received: 3/23/2018

QUESTIONS FROM SENATOR MASTO

Q6. On March 15, 2018, the Department of Homeland Security released a warning that accused Russian government hackers of carrying out a deliberate, ongoing operation to penetrate vital U.S. industries, including the energy grid, including energy generation, nuclear, commercial, and water facilities. Russian cyber-attacks on our power and water infrastructure remind us the threat is not only the loss of privacy and the spread of disinformation, but the potential for physical damage to our critical infrastructure and potentially the loss of life. A security expert recently told the New York Times, regarding the Russian attacks, "They have the ability to shut the power off, all that's missing is some political motivation." Do you believe the Russians have the ability to disrupt or damage our power grid?

A6.

Q6a. How many other countries and non-state actors can do this?

A6a.

Assistant Secretary:	B. Walker	Preparation Lead:	H. Kenchington
Date:		Preparation Team:	D. Streit
Phone:	6-1411	Phone:	6-1878

Concurrences:

OE:

GC:

CI:

CF:

OP:

Cleared for Hill:

Date Q received: 3/23/2018

Q7. Hydropower accounts for about 40 percent of the renewable energy produced in Nevada. Under Presidential Policy Directive-21, which addresses critical infrastructure security and resilience (also referred to as PPD-21), DOE is responsible for the security of the power grid and DHS is responsible for the security of dams. What are some of the unique challenges faced by hydroelectric facilities and how are you working with Homeland Security to address them?

A7.

Q7a. Can you further clarify your respective roles and authorities, for example in developing regulations?

(b) (5)

Q8. Through the DOE Budget Request, you recently announced your intention to establish an Office of Cybersecurity, Energy Security, and Emergency Response (CESER) "to strengthen the Department's role as the sector-specific agency for cybersecurity in the energy sector. This office would be created from existing responsibilities from within the Office of Electricity Delivery and Energy Reliability (OE). What exactly will DOE be doing differently through the creation of this new office from what OE has already been doing?

(b) (5)

(b) (5)

- Q9. Nevada's Governor Sandoval recently created the Office of Cyber Defense Coordination, which serves as the primary focal point for cyber threats and security for the State of Nevada. With the addition of a Cyber Defense Coordinator, the office will serve as the primary conduit with the federal government, as well as the primary entity managing cyber threat issues across the State of Nevada. As a former governor, how do you think the federal government can best coordinate with State cyber offices like Nevada's to perform cyber threat analysis and reporting of threat information?

(b) (5)

(b) (5)

Assistant Secretary: B. Walker
Date:
Phone: 6-1411

Preparation Lead: D. Streit
Preparation Team: H. Kenchington
Phone: 6-7181

Concurrences:
OE:
GC:
CI:
CF:
OP:
Cleared for Hill:

Date Q received: 3/23/2018

Rodriguez, Susan (CONTR)

From: Mansueti, Lawrence
Sent: Tuesday, March 27, 2018 6:40 AM
To: Jereza, Catherine
Subject: RE: USE THIS ONE QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Hold on. Sending another (urgh) mistake correction in a sec.

From: Jereza, Catherine
Sent: Tuesday, March 27, 2018 9:38 AM
To: Mansueti, Lawrence <Lawrence.Mansueti@hq.doe.gov>
Subject: RE: USE THIS ONE QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

I hear ya!! ☺

From: Mansueti, Lawrence
Sent: Tuesday, March 27, 2018 9:37 AM
To: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>
Subject: RE: USE THIS ONE QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Ughh.

From: Jereza, Catherine
Sent: Tuesday, March 27, 2018 9:36 AM
To: Mansueti, Lawrence <Lawrence.Mansueti@hq.doe.gov>; Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Cc: Kim, Joyce <Joyce.Kim@Hq.Doe.Gov>
Subject: RE: USE THIS ONE QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

It said indeed to use so I switched this to indeed used...

I think we're good to go now. Final draft:

Q33. Will DOE commit not to abuse the Federal Power Act to keep coal plants open that are simply not competitive?

(b) (5)

From: Mansueti, Lawrence
Sent: Tuesday, March 27, 2018 9:15 AM
To: Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Cc: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Kim, Joyce <Joyce.Kim@Hq.Doe.Gov>
Subject: RE: USE THIS ONE QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Found a grammar error after I had sent below.

Correct file to use attached.

From: Mansueti, Lawrence
Sent: Tuesday, March 27, 2018 9:05 AM
To: Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Cc: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Kim, Joyce <Joyce.Kim@Hq.Doe.Gov>
Subject: RE: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Draft for response to Q33 re use of FPA Sec. 202(c) attached.

From: Rosenbaum, Matthew
Sent: Monday, March 26, 2018 3:06 PM
To: Mansueti, Lawrence <Lawrence.Mansueti@hq.doe.gov>
Cc: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Kim, Joyce <Joyce.Kim@Hq.Doe.Gov>
Subject: FW: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Larry,

Can you please take a shot at answering this by tomorrow as we discussed on the phone? It is similar to the rest of the 202c related questions you have been answering.

Thanks, Matt

From: Perrin, Rusty
Sent: Monday, March 26, 2018 2:52 PM
To: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>
Cc: Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>; Kim, Joyce <Joyce.Kim@Hq.Doe.Gov>
Subject: RE: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

(b) (5)

RP

From: Perrin, Rusty
Sent: Monday, March 26, 2018 1:31 PM
To: Streit, Devon (Lisa) HQ <Devon.Streit@Hq.Doe.Gov>; Kenchington, Henry <Henry.Kenchington@hq.doe.gov>; Pesin, Michael <Michael.Pesin@hq.doe.gov>; Parks, William <William.Parks@hq.doe.gov>
Cc: Baumgartner, Jeffrey <Jeffrey.Baumgartner@Hq.Doe.Gov>; Calderon, Victor (CONTR)

<Victor.Calderon@hq.doe.gov>; Kaushiva, Akhlesh <Akhlesh.Kaushiva@Hq.Doe.Gov>; Hawk, Carol
<Carol.Hawk@Hq.Doe.Gov>; Bindewald III, Gilbert <Gilbert.Bindewald@hq.doe.gov>; Haught, Debbie
<Debbie.Haught@hq.doe.gov>; Lee, Terri <Terri.Lee@hq.doe.gov>; Harbin, Christine <Christine.Harbin@hq.doe.gov>
Subject: RE: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

(b) (5)

RP

From: Perrin, Rusty
Sent: Monday, March 26, 2018 10:19 AM
To: Streit, Devon (Lisa) HQ <Devon.Streit@Hq.Doe.Gov>; Kenchington, Henry <Henry.Kenchington@hq.doe.gov>; Pesin, Michael <Michael.Pesin@hq.doe.gov>; Parks, William <William.Parks@hq.doe.gov>
Cc: Baumgartner, Jeffrey <Jeffrey.Baumgartner@Hq.Doe.Gov>; Calderon, Victor (CONTR)
<Victor.Calderon@hq.doe.gov>; Kaushiva, Akhlesh <Akhlesh.Kaushiva@Hq.Doe.Gov>; Hawk, Carol
<Carol.Hawk@Hq.Doe.Gov>; Bindewald III, Gilbert <Gilbert.Bindewald@hq.doe.gov>; Haught, Debbie
<Debbie.Haught@hq.doe.gov>; Lee, Terri <Terri.Lee@hq.doe.gov>; Harbin, Christine <Christine.Harbin@hq.doe.gov>
Subject: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Attached, please see questions for the record from the Secretary's 3/20/2018 hearing before the Senate Energy and Natural Resources Committee. Please draft responses for questions assigned to you, and return them to me **by Thursday, 3/29.**

Note there is one response that I am in process of trying to get reassigned to WAPA. If any of you, however, feel competent to answer it, let me know and I'll call off the reassignment effort.

RP

Rodriguez, Susan (CONTR)

From: Mansueti, Lawrence
Sent: Tuesday, March 27, 2018 6:43 AM
To: Jereza, Catherine
Subject: RE: USE THIS ONE QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

I looked again at the other letter I took the text from. Somehow I deleted two words ("indeed took action to use Federal Power Act")

I think (you may disagree) those words help. It would read (original words to add back in CAPS)

(b)
 (5)

From: Jereza, Catherine
Sent: Tuesday, March 27, 2018 9:38 AM
To: Mansueti, Lawrence <Lawrence.Mansueti@hq.doe.gov>
Subject: RE: USE THIS ONE QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

I hear ya!! ☺

From: Mansueti, Lawrence
Sent: Tuesday, March 27, 2018 9:37 AM
To: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>
Subject: RE: USE THIS ONE QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Ughh.

From: Jereza, Catherine
Sent: Tuesday, March 27, 2018 9:36 AM
To: Mansueti, Lawrence <Lawrence.Mansueti@hq.doe.gov>; Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Cc: Kim, Joyce <Joyce.Kim@Hq.Doe.Gov>
Subject: RE: USE THIS ONE QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

it said indeed to use so I switched this to indeed used....

I think we're good to go now. Final draft:

(b)
(5)

From: Mansueti, Lawrence
Sent: Tuesday, March 27, 2018 9:15 AM
To: Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Cc: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Kim, Joyce <Joyce.Kim@Hq.Doe.Gov>
Subject: RE: USE THIS ONE QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Found a grammar error after i had sent below.

Correct file to use attached.

From: Mansueti, Lawrence
Sent: Tuesday, March 27, 2018 9:05 AM
To: Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>
Cc: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Kim, Joyce <Joyce.Kim@Hq.Doe.Gov>
Subject: RE: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Draft for response to Q33 re use of FPA Sec. 202(c) attached.

From: Rosenbaum, Matthew
Sent: Monday, March 26, 2018 3:06 PM
To: Mansueti, Lawrence <Lawrence.Mansueti@hq.doe.gov>
Cc: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>; Kim, Joyce <Joyce.Kim@Hq.Doe.Gov>
Subject: FW: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Larry,

Can you please take a shot at answering this by tomorrow as we discussed on the phone? It is similar to the rest of the 202c related questions you have been answering.

Thanks, Matt

From: Perrin, Rusty
Sent: Monday, March 26, 2018 2:52 PM
To: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>
Cc: Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>; Kim, Joyce <Joyce.Kim@Hq.Doe.Gov>
Subject: RE: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

(b) (5)

RP

From: Perrin, Rusty
Sent: Monday, March 26, 2018 1:31 PM
To: Streit, Devon (Lisa) HQ <Devon.Streit@Hq.Doe.Gov>; Kenchington, Henry <Henry.Kenchington@hq.doe.gov>; Pesin, Michael <Michael.Pesin@hq.doe.gov>; Parks, William <William.Parks@hq.doe.gov>
Cc: Baumgartner, Jeffrey <Jeffrey.Baumgartner@Hq.Doe.Gov>; Calderon, Victor (CONTR) <Victor.Calderon@hq.doe.gov>; Kaushiva, Akhlesh <Akhlesh.Kaushiva@Hq.Doe.Gov>; Hawk, Carol <Carol.Hawk@Hq.Doe.Gov>; Bindewald III, Gilbert <Gilbert.Bindewald@hq.doe.gov>; Haught, Debbie <Debbie.Haught@hq.doe.gov>; Lee, Terri <Terri.Lee@hq.doe.gov>; Harbin, Christine <Christine.Harbin@hq.doe.gov>
Subject: RE: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

(b) (5)

RP

From: Perrin, Rusty
Sent: Monday, March 26, 2018 10:19 AM
To: Streit, Devon (Lisa) HQ <Devon.Streit@Hq.Doe.Gov>; Kenchington, Henry <Henry.Kenchington@hq.doe.gov>; Pesin, Michael <Michael.Pesin@hq.doe.gov>; Parks, William <William.Parks@hq.doe.gov>
Cc: Baumgartner, Jeffrey <Jeffrey.Baumgartner@Hq.Doe.Gov>; Calderon, Victor (CONTR) <Victor.Calderon@hq.doe.gov>; Kaushiva, Akhlesh <Akhlesh.Kaushiva@Hq.Doe.Gov>; Hawk, Carol <Carol.Hawk@Hq.Doe.Gov>; Bindewald III, Gilbert <Gilbert.Bindewald@hq.doe.gov>; Haught, Debbie <Debbie.Haught@hq.doe.gov>; Lee, Terri <Terri.Lee@hq.doe.gov>; Harbin, Christine <Christine.Harbin@hq.doe.gov>
Subject: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Attached, please see questions for the record from the Secretary's 3/20/2018 hearing before the Senate Energy and Natural Resources Committee. Please draft responses for questions assigned to you, and return them to me by **Thursday, 3/29**.

Note there is one response that I am in process of trying to get reassigned to WAPA. If any of you, however, feel competent to answer it, let me know and I'll call off the reassignment effort.

RP

Rodriguez, Susan (CONTR)

From: Rosenbaum, Matthew
Sent: Tuesday, March 27, 2018 10:31 AM
To: Perrin, Rusty; Jereza, Catherine
Cc: Kim, Joyce
Subject: RE: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Rusty,

Here is the answer to our question:

(b) (5)

Please let me know if you need anything else.

Matt

From: Perrin, Rusty
Sent: Monday, March 26, 2018 2:52 PM
To: Jereza, Catherine <Catherine.Jereza@Hq.Doe.Gov>
Cc: Rosenbaum, Matthew <Matthew.Rosenbaum@hq.doe.gov>; Kim, Joyce <Joyce.Kim@Hq.Doe.Gov>
Subject: RE: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

(b) (5)

RP

From: Perrin, Rusty
Sent: Monday, March 26, 2018 1:31 PM
To: Streit, Devon (Lisa) HQ <Devon.Streit@Hq.Doe.Gov>; Kenchington, Henry <Henry.Kenchington@hq.doe.gov>; Pesin, Michael <Michael.Pesin@hq.doe.gov>; Parks, William <William.Parks@hq.doe.gov>
Cc: Baumgartner, Jeffrey <Jeffrey.Baumgartner@Hq.Doe.Gov>; Calderon, Victor (CONTR) <Victor.Calderon@hq.doe.gov>; Kaushiva, Akhlesh <Akhlesh.Kaushiva@Hq.Doe.Gov>; Hawk, Carol

<Carol.Hawk@Hq.Doe.Gov>; Bindewald III, Gilbert <Gilbert.Bindewald@hq.doe.gov>; Haught, Debbie
<Debbie.Haught@hq.doe.gov>; Lee, Terri <Terri.Lee@hq.doe.gov>; Harbin, Christine <Christine.Harbin@hq.doe.gov>
Subject: RE: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

(b) (5)

RP

From: Perrin, Rusty
Sent: Monday, March 26, 2018 10:19 AM
To: Streit, Devon (Lisa) HQ <Devon.Streit@Hq.Doe.Gov>; Kenchington, Henry <Henry.Kenchington@hq.doe.gov>; Pesin, Michael <Michael.Pesin@hq.doe.gov>; Parks, William <William.Parks@hq.doe.gov>
Cc: Baumgartner, Jeffrey <Jeffrey.Baumgartner@Hq.Doe.Gov>; Calderon, Victor (CONTR) <Victor.Calderon@hq.doe.gov>; Kaushiva, Akhlesh <Akhlesh.Kaushiva@Hq.Doe.Gov>; Hawk, Carol <Carol.Hawk@Hq.Doe.Gov>; Bindewald III, Gilbert <Gilbert.Bindewald@hq.doe.gov>; Haught, Debbie <Debbie.Haught@hq.doe.gov>; Lee, Terri <Terri.Lee@hq.doe.gov>; Harbin, Christine <Christine.Harbin@hq.doe.gov>
Subject: QFRs, 3/20/2018 SENR/S-1 Hearing--draft responses due by Thursday, 3/29

Attached, please see questions for the record from the Secretary's 3/20/2018 hearing before the Senate Energy and Natural Resources Committee. Please draft responses for questions assigned to you, and return them to me by Thursday, 3/29.

Note there is one response that I am in process of trying to get reassigned to WAPA. If any of you, however, feel competent to answer it, let me know and I'll call off the reassignment effort.

RP

Rodriguez, Susan (CONTR)

Sent: Thursday, March 29, 2018 8:23 AM
To: Lotto, Adrienne
Subject: RE: 202 (c) FirstEnergy Request

Thank you. I will be in the office. We should discuss.

From: Lotto, Adrienne <Adrienne.Lotto@hq.doc.gov>
Date: Thursday, Mar 29, 2018, 7:26 AM
To: Hoffman, Patricia <Pat.Hoffman@hq.doc.gov>
Subject: FW: 202 (c) FirstEnergy Request

Rodriguez, Susan (CONTR)

From: Harris, Aleisha (CONTR)
Sent: Thursday, March 29, 2018 6:50 AM
To: Jereza, Catherine
Subject: FW: Document - 202 (c) Hand Delivered

FYI

-----Original Message-----

From: Harris, Aleisha (CONTR)
Sent: Thursday, March 29, 2018 9:37 AM
To: Troy, Angela (CONTR) <Angela.Troy@Hq.Doe.Gov>
Cc: Batra, Rakesh <Rakesh.Batra@Hq.Doe.Gov>
Subject: Document - 202 (c) Hand Delivered

Hi Angie,

This morning I had to use your stamp for the 202 (c) document that was hand delivered, I left a sticky note on your desk and gave the 3 copies to Rakesh.

Thanks
Aleisha

Aleisha M. Harris
ICF, Contractor to the US Department of Energy
Office of Electricity Delivery & Energy Reliability
1000 Independence Avenue S.W. | Suite 8H-033 | Washington, DC 20585
O: (202) 586-1411 | Aleisha.harris@hq.doe.gov

Rodriguez, Susan (CONTR)

Subject: Brief discussion - 202 (c) emergency order request from FirstEnergy Solutions
Location: (b) (7)(E)
Start: Thu 3/29/2018 8:00 AM
End: Thu 3/29/2018 8:30 AM
Show Time As: Tentative
Recurrence: (none)
Meeting Status: Not yet responded
Organizer: Batra, Rakesh
Required Attendees: Batra, Rakesh; Rosenbaum, Matthew; Bittner, Kathy (CONTR); Konieczny, Katherine; Drake, Christopher; Mansueti, Lawrence; Meyer, David; Mills, Brian; Harbin, Christine; Jereza, Catherine
Optional Attendees: Cunningham, Sean; Lotto, Adrienne

Please plan on attending for a quick brief discussion on 202 (c) emergency order request that came in this morning from FirstEnergy Solutions.

Thanks

Rodriguez, Susan (CONTR)

Subject: FW: Brief discussion - 202 (c) emergency order request from FirstEnergy Solutions
Location: (b) (7)(E)
Start: Thu 3/29/2018 8:00 AM
End: Thu 3/29/2018 8:30 AM
Show Time As: Tentative
Recurrence: (none)
Meeting Status: Not yet responded
Organizer: Batra, Rakesh

—Original Appointment—

From: Batra, Rakesh
Sent: Thursday, March 29, 2018 10:22 AM
To: Batra, Rakesh; Rosenbaum, Matthew; Bittner, Kathy (CONTR); Konieczny, Katherine; Drake, Christopher; Mansueti, Lawrence; Meyer, David; Mills, Brian; Harbin, Christine; Jereza, Catherine
Cc: Cunningham, Sean; Lotto, Adrienne
Subject: Brief discussion - 202 (c) emergency order request from FirstEnergy Solutions
When: Thursday, March 29, 2018 11:00 AM-11:30 AM (UTC-05:00) Eastern Time (US & Canada).
Where: (b) (5)

Please plan on attending for a quick brief discussion on 202 (c) emergency order request that came in this morning from FirstEnergy Solutions.

Thanks

Rodriguez, Susan (CONTR)

From: Hoffman, Patricia
Sent: Thursday, March 29, 2018 8:23 AM
To: Lotto, Adrienne
Subject: RE: 202 (c) FirstEnergy Request

Thank you. I will be in the office. We should discuss.

From: Lotto, Adrienne <Adrienne.Lotto@hq.doe.gov>
Date: Thursday, Mar 29, 2018, 7:26 AM
To: Hoffman, Patricia <Pat.Hoffman@hq.doe.gov>
Subject: FW: 202 (c) FirstEnergy Request

Sorry -- meant to send this to you as well.

Adrienne Lotto

Chief of Staff for Assistant Secretary Bruce J. Walker
Office of Electricity
1000 Independence Avenue, SW
Room 8H-033
Washington, DC 20585
Tel: (202) 586-1117

From: Lotto, Adrienne
Sent: Thursday, March 29, 2018 10:18 AM
To: Brian McCormack, Chief of Staff <ChiefofStaff@hq.doe.gov>; Walker, Bruce <Bruce.Walker@hq.doe.gov>
Subject: FW: 202 (c) FirstEnergy Request

Brian and Bruce,

As requested. See below and attached.

Adrienne Lotto

Chief of Staff for Assistant Secretary Bruce J. Walker
Office of Electricity
1000 Independence Avenue, SW
Room 8H-033
Washington, DC 20585
Tel: (202) 586-1117

From: Walker, Bruce
Sent: Thursday, March 29, 2018 10:16 AM
To: Lotto, Adrienne <Adrienne.Lotto@hq.doc.gov>
Subject: FW: 202 (c) FirstEnergy Request

From: Batra, Rakesh
Sent: Thursday, March 29, 2018 10:15:17 AM (UTC-05:00) Eastern Time (US & Canada)
To: Walker, Bruce; Hoffman, Patricia; Jereza, Catherine; Lotto, Adrienne
Cc: Rosenbaum, Matthew; Bittner, Kathy (CONTR); Konieczny, Katherine; Drake, Christopher; Mansueti, Lawrence; Meyer, David; Mills, Brian; Minnick, Debra B. (CONTR); Harbin, Christine
Subject: 202 (c) FirstEnergy Request

This is just to inform you that I received a 202 (c) emergency order request from FirstEnergy Solutions. The request was hand delivered earlier today.

The applicant, FirstEnergy Solutions, requests that the Secretary find that an emergency condition exists in the footprint of the PJM that requires immediate intervention by the Secretary, in the form of a Section 202(c) emergency order directing:

- a) certain existing nuclear and coal-fired generators in PJM, to enter into contracts and all necessary arrangements with PJM, on a plant-by-plant basis, to generate, deliver, interchange, and transmit electric energy, capacity, and ancillary services as needed to maintain the stability of the electric grid and
- b) PJM to promptly compensate at-risk merchant nuclear and coal-fired power plants for the full benefits they provide to energy markets and the public at large, including fuel security and diversity, as detailed in the application.

I will start working on it right away and prepare a timeline for processing the application.

Thanks,
Rakesh Batra

Rodriguez, Susan (CONTR)

From: Sanjay Narayan <sanjay.narayan@sierraclub.org>
Sent: Thursday, March 29, 2018 8:47 AM
To: Jereza, Catherine
Subject: First Energy Request for 202 Order

Ms. Jereza:

I hope you're well. First Energy has issued a press release indicating that it has submitted an application to the Department for an emergency order under FPA 202(c). I was wondering whether the Department would be willing to make that application public, or open a docket for it.

Thanks much,

Sanjay

—
I check e-mail infrequently. For urgent matters, please call me at the number below.

Sanjay Narayan
Managing Attorney
Sierra Club Environmental Law Program
2101 Webster St., Suite 1300
Oakland, CA 94612
(415) 977-5769

Rodriguez, Susan (CONTR)

From: Hoffman, Patricia
Sent: Thursday, March 29, 2018 8:53 AM
To: Lotto, Adrienne
Subject: RE: 202 (c) FirstEnergy Request

I will be in the office tomorrow- let's discuss. My list is growing.

Cyber positions
202c
Jones act follow up
North American model discussion w/ Carl
Ornl discussion
Gmlc -get briefed on your conversation

From: Lotto, Adrienne <Adrienne.Lotto@hq.doe.gov>
Date: Thursday, Mar 29, 2018, 8:34 AM
To: Hoffman, Patricia <Pat.Hoffman@hq.doe.gov>
Subject: RE: 202 (c) FirstEnergy Request

I'm in a meeting now with Katie's team on it. Ill give you the scoop when you have a moment.

From: Hoffman, Patricia <Pat.Hoffman@hq.doe.gov>
Date: Thursday, Mar 29, 2018, 11:23 AM
To: Lotto, Adrienne <Adrienne.Lotto@hq.doe.gov>
Subject: RE: 202 (c) FirstEnergy Request

Thank you. I will be in the office. We should discuss.

From: Lotto, Adrienne <Adrienne.Lotto@hq.doe.gov>
Date: Thursday, Mar 29, 2018, 7:26 AM
To: Hoffman, Patricia <Pat.Hoffman@hq.doe.gov>
Subject: FW: 202 (c) FirstEnergy Request

Sorry - meant to send this to you as well.

Adrienne Lotto

Chief of Staff for Assistant Secretary Bruce J. Walker
Office of Electricity
1000 Independence Avenue, SW
Room 8H-033
Washington, DC 20585
Tel: (202) 586-1117

From: Lotto, Adrienne
Sent: Thursday, March 29, 2018 10:18 AM
To: Brian McCormack, Chief of Staff <ChiefofStaff@hq.doe.gov>; Walker, Bruce <Bruce.Walker@hq.doe.gov>
Subject: FW: 202 (c) FirstEnergy Request

Brian and Bruce,

As requested. See below and attached.

Adrienne Lotto

Chief of Staff for Assistant Secretary Bruce J. Walker
Office of Electricity
1000 Independence Avenue, SW
Room 8H-033
Washington, DC 20585
Tel: (202) 586-1117

From: Walker, Bruce
Sent: Thursday, March 29, 2018 10:16 AM
To: Lotto, Adrienne <Adrienne.Lotto@hq.doe.gov>
Subject: FW: 202 (c) FirstEnergy Request

From: Batra, Rakesh
Sent: Thursday, March 29, 2018 10:15:17 AM (UTC-05:00) Eastern Time (US & Canada)
To: Walker, Bruce; Hoffman, Patricia; Jereza, Catherine; Lotto, Adrienne
Cc: Rosenbaum, Matthew; Bittner, Kathy (CONTR); Konieczny, Katherine; Drake, Christopher; Mansueti, Lawrence; Meyer, David; Mills, Brian; Minnick, Debra B. (CONTR); Harbin, Christine
Subject: 202 (c) FirstEnergy Request

This is just to inform you that I received a 202 (c) emergency order request from FirstEnergy Solutions. The request was hand delivered earlier today.

The applicant, FirstEnergy Solutions, requests that the Secretary find that an emergency condition exists in the footprint of the PJM that requires immediate intervention by the Secretary, in the form of a Section 202(c) emergency order directing:

- a) certain existing nuclear and coal-fired generators in PJM, to enter into contracts and all necessary arrangements with PJM, on a plant-by-plant basis, to generate, deliver, interchange, and transmit electric energy, capacity, and ancillary services as needed to maintain the stability of the electric grid and
- b) PJM to promptly compensate at-risk merchant nuclear and coal-fired power plants for the full benefits they provide to energy markets and the public at large, including fuel security and diversity, as detailed in the application.

I will start working on it right away and prepare a timeline for processing the application.

Thanks,
Rakesh Batra

Rodriguez, Susan (CONTR)

Subject: 202 (c) Meeting
Location: (b) (7)(E) 14#
Start: Thu 3/29/2018 10:00 AM
End: Thu 3/29/2018 11:00 AM
Show Time As: Tentative
Recurrence: (none)
Meeting Status: Not yet responded
Organizer: Lotto, Adrienne
Required Attendees: Walker, Bruce